Séamus Brennan T.D., Minister for Social Affairs
Speech on Budget 2007

This was by any standards an historic Budget. It delivers the largest increase in Social Welfare spending in the history of the State with a package of over €1.4 billion. It was also a reforming welfare budget with a number of significant and fundamental reforms of social policy at its core. The total social welfare expenditure next year will exceed €15.3 billion, or €1 in every €3 of day to day spending by the State. This funding will next year directly support and benefit one and a half million people.

This Budget is also about delivery. We have delivered on our commitments in the Programme for Government by bringing the basic State Pension to €200 a week and realising the 2007 target for the lowest social welfare rates. The contributory pension has increased by €16 a week to €209.30 and other social welfare rates by €20 a week to €185.80. A contributory pensioner couple will be nearly €40 a week better off. The lowest rate of Social Welfare payments have increased by 12.1%, far in excess of the expected increase of 4.5% in private sector earnings and almost three times the forecast rate of inflation for 2007.

We are delivering on the pledge to tackle levels of child poverty that remain and that are not acceptable in the Ireland of the 21st Century. Reforms in this area includes combining three rates of Child Dependent Allowance payments into a new single high rate Qualified Child Allowance of €22 per week that will benefit over 340,000 children of families on welfare. This is in addition to increases of €10 in Child Benefit to over one million children that takes this universal support to at least €160 per month.

The Back to School Clothing and Footwear Allowance has been increased by 50%. The measures taken by myself, and my colleague the Minister for Health and Children, in relation to carers have laid the foundations for a sustainable long term care strategy.

I have introduced reforms designed to make the social welfare code fairer to women and to bring about greater social gender equality. It is only right that women should have a social welfare entitlement in their own right and I have initiated a number of reforms to address this situation and also to facilitate them entering the workforce.

As well as massive income support improvements of over €970 million, another €430 million, or nearly one third of the total package, is being directed to support a range of reform measures. These measures are, in particular, being shaped and targeted at confronting and tackling remaining child poverty, at recognising and supporting carers, increasing income supports for all pensioners and increasing the status and incomes of women pensioners.

Pensioners

Everyone is entitled to a basic standard of living. I have repeatedly stated my conviction that this generation will be judged on how it used the fruits of the economic miracle of recent years to help those most vulnerable in society, those most deserving of our support. We have a responsibility to assist those who for reasons of age, health or other circumstances need the financial lifeline that is welfare support to help them through bad times and to offer hope and encouragement towards better times.

The principles of social solidarity underpin our social welfare system, and the programme of this Government which has committed itself to delivering a number of specific, and ambitious, improvements in social welfare rates by 2007. At the core of these pledges was the commitment to bring the basic state pension to €200 a week. I am pleased to have been able to deliver on that promise by increasing the non-contributory pension by €18 a week to €200 with effect from next January, and the Contributory pension to over €209.

The needs of older people have been, and will remain, a priority for this Government. That has been repeatedly demonstrated by the numerous initiatives which have been taken over the last 10 years in the area of pensions, supports for carers and household benefits such as free electricity, gas and phones. For instance, since 1996,

and including increases granted in the current year, pensions have increased by almost 119%, or about 57% in real terms, faster than both price and wages growth over the period.

All the more recent indicators, including the latest EU Survey on Income and Living Conditions for 2005, show the progress that is being made in significantly improving the well being of older people. The Survey found that consistent poverty rates for older people were very low at 3.7%, and let me reminder everyone that was before the many benefits flowing from Budget 2006 are taken into account, and the many and significant increases and improvements announced in yesterday's Budget for 2007.

I am also making significant progress on the Government commitment to increase to the level of the non-contributory State Pension, the Qualified Adult Allowance for the spouses and partners of contributory pensioners. The Budget increase of €23.70 per week in the qualified adult payment will benefit some 35,500 couples. These increases will bring the rate of Qualified Adult Allowance payments for those aged 66 years of age and over to 86.5% of the target rate contained in the Government commitment. There is now a €60 million commitment to reach that target rate inside the coming three years.

I also intend to introduce legislation in the Spring which will provide for the qualified adults entitlement to the QAA for the duration of the entitlement of the State Pensioner. As most Qualified Adults are women, this decision will be of enormous benefit to them as it will, in most cases, transform the QAA into what in effect is a woman's pension in her own right, as different to being a dependant.
I have also taken a decision to include in the upcoming Social Welfare Bill the decision to have the payment made directly to the QAA. It will, of course, remain open to any qualified adult to continue to have their portion of the pension paid jointly with the personal portion of the pension, if they so wish.

In Budget 2006, for the first time in many years, I increased the basic income disregard for the purposes of the means test for non-contributory pensions to €20 per week. At the same time I introduced incentives for pensioners on means tested

payments, who may wish to earn extra income to continue in employment, with €100 per week earnings disregarded. I am happy to be able to build on these improvements by increasing the basic means disregard to €30 per week, and at the same time building on the employment incentives provided this year by increasing the earnings disregard to €200 per week. These measures will benefit approximately 26,000 pensioners a week who are currently in receipt of a reduced rate of pension. As a consequence, for them, the additional increases in the personal rate will be up to €10 per week while the Qualified Adult rate will further increase by up to €6.60 per week. These pensioners will, of course, also benefit from the general €18 per week increase in the personal rate of payment and, where relevant, the €11.90 increases in the QAA rate. In other words some non-contributory pensioner couples will gain by over €46 from these combined measures, with effect from next January.

Over the last few years a number of improvements have been made to the Household Benefits package for older people and I have been pleased to be able to introduce further enhancements in this Budget which, for instance, take account of changing trends in society and technology advances. With effect from next April, it will be possible for pensioners and other who qualify to have the free telephone allowance paid in respect of mobile phones as well as fixed landlines. This will allow older people to have more flexibility. In all over 320,000 people benefit from the Telephone Allowance this year.

I am also extending the automatic entitlement to a Free Travel Companion pass to pensioners aged under 75 who are medically unfit to travel unaccompanied.

I am also pleased to confirm that early 2007 will also see the start of the introduction of all Ireland Free Travel which will all Irish pensioners to travel throughout Northern Ireland free of charge on public transport, while Northern pensioners will be able to do likewise here.

Pensions Policy

The Government is concerned about retirement income in general, now and in the future. I do not need to remind the House of the demographic pressures our

pensions system will face in the future. We are facing a pensions problem, while many other countries with less favourable demographics, are facing a crisis. It is important that we use the time we have available to act now to find the solutions for tomorrow. Everyone is entitled to adequate income, dignity and security in their older years. I am determined that we work towards delivering adequate retirement income to all our citizens which does not place an unsustainable burden on future taxpayers.

In this regard, the two reports published by the Pensions Board over the last year - *The National Pensions Review* and *Savings for Retirement* - require serious debate and analysis before we decide finally on the type of retirement we want for our older people and the contribution we will make during our working lives to that future. I was very pleased at the prominence afforded to pensions in the social partnership negotiations for *Towards 2016* and the final agreement features a number of commitments in this area. As part of the agreement the Government is committed to publishing a Green Paper on pensions outlining the major policy choices, the challenges in this area and the views of the social partners. I intend to publish this by the end of March next year. After a consultation process, the Government will respond to the consultations by developing a framework for comprehensively addressing the pensions agenda over the long-term. This is the end of a process, commenced over two years ago, and I am confident that it will deliver a system that will command broad acceptance and provide the way for people to accumulate adequate resources for their retirement.

Before I leave the whole area of our older people, I would like to refer briefly to an issue about which I have received many representations, that is the difficulties confronting people, especially older people, in adequately heating their homes in an era of rising energy prices. Last year, I increased the fuel allowance by €5 a week to €14 and this year I am again increasing it by a further €4 to €18 a week. This means that the level of the fuel allowance, which is paid to 274,000 recipients, will have doubled in the last two years. This is not the only measure being taken to address fuel poverty and to alleviate the worries of elderly people. As I have already announced in September last, as and from next January, the number of free units of

electricity and gas paid under the Household Benefits Scheme will increase by 600 units a year to 2,400 units at a cost of €50m.

Women

I am particularly keen to reform the Social Welfare system so that it reflects the changes in our society in recent years and keeps pace with the changed nature of working and living conditions that we have witnessed. In this regard, the Social Welfare system should be responsive to the changed nature in the role of women in society. Many women, because they do not have a history of social insurance contributions or a recent attachment to the labour market, are not entitled to a social welfare payment in their own right. Rather, their position is recognized by way of the Qualified Adult Allowance or Increase which is added to their husband's or partner's payment.

Older women

Some modernization has already taken place. Since 2002, couples can apply to have the qualified allowance paid directly to the spouse or partner rather than as part of the primary payment. And of course, there is already full entitlement in the area of the State Pension (non contributory) where, subject to meeting the means test, both partners may receive a pension in their own right.

As I have already indicated above, I intend to establish the qualified adult's entitlement to the QAA for the duration of a pensioner's entitlement and to have the QAA paid directly to the qualified adult.

Women of working age

I am also proposing to significantly reform the manner in which spouses and partners are assessed as Qualified Adults across a range of social assistance schemes and, in particular, the treatment of part-time and low-paid work done by QAAs. The proposed reform involves assessing both members of a couple in a similar manner, with common disregards and assessments applying to both. Additionally I will be removing the poverty traps that are present in the current method of assessment. For example, at certain income levels at present if a woman increases her income from part-time employment to over €100 per week her spouse or partner can lose

€1.20 from his Jobseekers Allowance for every €1 she earns in excess of the disregard. Clearly this situation has no place in a modern system of employment supports.

Under the reforms proposed, increases in labour market participation will instead be rewarded and this will facilitate women in moving beyond the occupational cul-de-sac of indefinite part-time employment with earnings kept below €100 per week. Both partners will now be able to claim Jobseekers Allowance in their own right, though subject to certain conditions. This will also facilitate women, in particular, to access the range of employment supports and training opportunities that go with receipt of Jobseekers Allowance. I am confident that these proposals will significantly reduce the complexity in the present system while recognising and rewarding increased labour market participation by all and particularly by women.

Deserted Wife's Benefit

I have taken the opportunity presented by the Budget to address an issue raised with me by several members of this House over the course of the last year in relation to the earnings thresholds for recipients of Deserted Wife's Benefit. In response to these representations, I have considered it appropriate to introduce a new single earnings limit of €20,000 gross earnings even though the scheme has been closed to new applicants since January 1997. In addition, once claimants' earnings go over this limit, they will now be entitled to a new half-rate, transitional payment for 6 months to ease the impact of losing entitlement to the payment. Over 2,300 DWB claimants will benefit from these revisions to the scheme which will bring it more into line with other social welfare schemes.

Widows and widowers

Finally, I am pleased to be able to introduce two small but beneficial measures which will assist widows and widowers at a particularly difficult time in their lives, in the immediate aftermath of the death of their spouse. Financial worries add to the stresses experienced at such times. Not only do widows and widowers have to cover the cost of a funeral but often they also have to cope with the loss of an income as well. The six weeks after death payment paid to the survivors of social welfare

recipients are intended to ease this financial strain. In addition, my Department makes once-off payments to assist with immediate costs.

I am glad to be in the position to announce two significant improvements with effect from today: the Widowed Parent Grant will be increased by €1,300 to €4,000 while the Bereavement Grant will be increased by €215 to €850. I hope that these increases will ease some of the financial strain that can occur in the immediate aftermath of bereavement.

Carers

Carers play a very valuable, and much valued, role in our society. And it is important that we support and care for the carers. Since taking up Office in 1997 this Government has been committed to supporting care in the community to the maximum extent possible. Over that period, weekly payment rates to carers have been greatly increased, qualifying conditions for Carer's Allowance have been significantly eased, coverage of the scheme has been extended and new schemes such as Carer's Benefit and the Respite Care Grant have been introduced and extended.

As a result of these improvements there are now almost 28,500 carers in receipt of either Carer's Allowance or Carer's Benefit. These carers also receive a Respite Care Grant as do over 8,300 other carers who do not qualify for carer payments. Our commitment to carers has been further reinforced in the new national partnership agreement "*Towards 2016*" which includes significant commitments in the area of caring.

In particular, the development of a National Carer's Strategy has been identified as a priority action in terms of supporting people with caring responsibilities. This strategy, which will focus on supporting informal and family carers in the community, will be developed by the end of 2007. While social welfare supports for carers will clearly be a key issue in the strategy, other issues such as access to respite and other services, education, training and employment will also feature strongly. Co-operation between relevant Government departments and agencies is essential if the provision of services, supports and entitlements for carers is to be fully addressed.

For that reason all relevant departments and agencies will be involved in the strategy and there will be appropriate consultation with the social partners.

This type of cross cooperation is also reflected in the *Toward 2016* commitment that my Department lead a structured consultation process involving all relevant Departments and agencies as well as carer representative groups. This process is to involve an annual meeting of these stakeholders and I am pleased that the first such meeting has already been held and that the issues raised there have informed the package of measures for carers which I am announcing today.

In 2005 my colleague the Minister for Health and Children and I established a working group on long term care which was chaired by the Department of the Taoiseach and comprised senior officials from the Departments of Finance, Health and Children and my own Department. The task of the working group was to identify policy options for a financially sustainable system of long term care. I am pleased that the role and needs of family carers were recognised in that group's work and this influenced not only last year's Budget package but also the commitments in "*Towards 2016"* and now this year's Budget package.

In the context of continued developments in areas such as needs assessment and home care packages which are designed to facilitate people in being cared for in their own homes for as long as possible, I am delighted to announce further improvements to the income supports available to carers which build on the significant improvements made in recent years. As I have said on many occasions, the primary objective of the social welfare system is to provide income support and, as a general rule, only one weekly social welfare payment is payable to an individual. The rule has been that people qualifying for two social welfare payments always receive the higher payment to which they are entitled.

I am aware that this has been a cause of particular concern to people in receipt of one social welfare payment when they become carers. Indeed, the Joint Oireachtas Committee on Social and Family Affairs made very specific recommendations in this regard. Accordingly, I am delighted to announce that I am introducing fundamental structural reforms in this area. In future people in receipt of another social welfare

payment, who are also providing full time care and attention to a person, will be able to retain their main welfare payment and receive another payment, equivalent to a half rate Carer's Allowance. The precise details of this arrangement are currently being examined by my department and will be set out in legislation next year.

Abolishing the old rule that you cannot get two welfare payments means that for the first time people who are caring can have some real recognition of their caring duties. It means under this new dual payment system we will be starting to recognise the Carers Allowance less as a welfare payment and more as a support for caring duties. I consider this reform to be an important step forward and I am now determined to press ahead with other needed reforms in the caring area

As in previous years I am also increasing the rates of payments for carers so that with effect from next January the rate of Carer's Allowance will increase to €200 for carers under age 66 and to €218 for carers over 66; and the rate of Carer's Benefit will increase by €20 to €200.70 per week,

In addition, I am pleased to announce an increase of €300 in the rate of the Respite Care Grant to €1,500 from June next year. This will allow up to 40,000 carers to have a well deserved break from their caring duties. I have also increased the level of the income disregards for Carer's Allowance to €320 per week for a single person and to €640 per week for a couple. This means that a couple with two children can earn up to €36,240 and still receive the maximum rate of Carer's Allowance as well as the associated free travel and household benefits.

This measure surpasses the commitment in *Towards 2016* to ensure that those on average industrial earnings can continue to qualify for a full Carer's Allowance. Similarly, I have increased the level of the income threshold for Carer's Benefit to €320 per week. These improvements in the income supports available from my own Department together with the improvements in home care and related services announced by the Minister for Health and Children, represent a further realisation of our vision of a co-coordinated approach to services and supports for carers in the community.

The full package of measures I am announcing for carers will cost in excess of €107 million in a full year and are further evidence, if such was needed, of this Government's commitment to improving the lot of family carers and the people they look after.

Child Income Support

On various occasions I have described child poverty as an unacceptable blight on society. Childhood deprivation can leave lasting marks on children by stunting their development and limiting their life chances. It is not just the child which suffers – society also looses, for its children are its wealth. Since my first days in this portfolio I have been determined to make a lasting impact on this problem. It is a complex area which does not lend itself to easy solutions. Overall, it requires an integrated, whole of Government response as envisaged in *Towards 2016* which lays out an ambitious programme of priority actions for the next 10 years.

However, in the meantime, I am committed to an even stronger and more focused campaign in an all out commitment to end child poverty in 21st century Ireland. In recent years we have lifted more than 100,000 children out of poverty and now we must strive to complete the task. I have long held the view that implementing a second tier of payment for children in low income and welfare families is the most effective method of tackling child poverty. I see this improved and targeted allowance as representing a substantial move in that direction and that is why in this Budget I have deliberately taken the decision to focus increased child supports in this area

In recent years, resources have been directed towards alleviating child poverty via substantial increases in Child Benefit (CB) rather than through the other mechanism of Child Dependant Allowances (CDA) which are paid to recipients of social welfare payments. While these have not been increased since 1994, the combined value of Child Benefit and CDA has, of course, increased over that period by more than three times the rate of inflation. In terms of tackling work disincentives, the shift towards Child Benefit has been significant, from a position in 1994 where it represented only 27% of the combined CB/CDA payment for a four-child family, to the situation today where Child Benefit now accounts for almost 70%. In other words, a family now

loses only 30% of their child income support, through loss of child dependant allowances, when a welfare recipient moves into full-time employment.

In this Budget I am increasing Child Benefit rates by €10 per month. This increase will apply to all children benefiting over 560,000 families in respect of approximately 1,134,000 children, and will be effective from April 2007. While Child Benefit remains the main support for families with children, I recognize that the labour market has changed greatly since 1994 and that other supports to low income families have been brought to bear also. The introduction of the National Minimum wage in 2000 allied with the re-focusing of Family Income Supplement last January have served to further reduce the impact of the loss of CDAs in the decision to take up full-time employment. Also, the introduction of the National Employment Action Plan in 1998 has greatly assisted unemployed persons in making the transition to work and education.

In this context, I am now proposing to simplify the present system by standardizing for all children on the highest of the current three CDA rates. A new single Child Dependent Allowance of €22 per week will now apply to all social welfare schemes. For those on the current lower rates of €16.80 and €19.30 per child per week, this represents a substantial improvement. While this will have a marginal impact on incentives, I am satisfied that it avoids any significant return to the situation of the past. For example, following these changes only 35% of the total child income support, in the case of a four child family, will be contingent on remaining in receipt of welfare.

These are not the only measures being taken to address the position of children in low income households. The Back to School Clothing and Footwear Allowance provides additional income support for the poorest families at a particularly difficult time of the year. With this in mind, I am increasing the allowance by €60 for children aged 2 to 11, and by €95 for children aged 12 to 22, bringing the rates of payment to €180 and €285 respectively. As a result of the last two Budgets, this allowance has nearly doubled in value. My Department will advertise the scheme widely in a publicity campaign to begin in July 2007 so as to maximize take-up. Family Income Supplement or FIS is designed to provide cash support for employees

on low earnings with families and provides an incentive to enter or remain in employment.

I was very pleased with the impact of this year's FIS improvements and the response to the awareness campaign undertaken by my Department which resulted in an increase of over 20% to 21,400 families receiving FIS. As research has shown that poverty is more likely to be concentrated in larger families, last year's Budget re-focused the FIS weekly earnings thresholds in favour of such families. I have followed this approach again this year. Consequently, average payments per child will increase to nearly €50. It is also anticipated that the changes in the thresholds will entitle around 5,600 additional families to the payment.

One Parent Family Payment

Before I leave the subject of child income support and child poverty, I would like to say a word about the One Parent Family Payment. Last March I launched the Government discussion paper, *Proposals for Supporting Lone Parents*, which put forward proposals for the expanded availability and range of education and training opportunities for lone parents; the extension of the National Employment Action Plan to focus on lone parents; focused provision of childcare; improved information services for lone parents and the introduction of a new social assistance payment for low income families with young children.

One of the proposals in the report was that the upper limit for the new social assistance payment should be set at €400 per week. Last year, in Budget 2006, I increased the upper income limits on the One Parent Family Payment from €293 to €375 per week, moving a substantial way towards this limit and this year I am completing this element of the proposal by increasing the upper income limit for the One Parent Family Payment to €400 per week.

The new social assistance payment, currently being developed by officials in my Department will have the long term aim of assisting people to achieve financial independence through supporting them to enter employment – because employment offers the best route out of poverty. Once I am convinced that all of the issues have been fully worked out I propose to bring legislation to the Dáil in the New Year.

I fully realise that the proposed new payment can not be introduced without co-ordinated supports and services being put in place by other Departments and agencies. This is why Government has instructed the Senior Officials Group on Social Inclusion to draw up an implementation plan to progress the non-income recommendations in tandem with the development of the legislation required in my Department to introduce the new payment scheme.

Other measures

Activation

I have outlined in some detail the principal elements of my Budget package but a range of other measures are also being taken which are listed in the Budget Fact Sheet published by my Department. I am taking a number of steps to further encourage social welfare recipients to take up employment, education or training. There are improvements in the Back to Work Allowance, the Back to Education Allowance and Rent and Mortgage Interest Supplements.

The means test for Rent and Mortgage Interest Supplement is being reformed so that recipients retain at least half of any extra income they get from employment, education or training allowances, subject to a limit of Eur200 in extra income. This means that they may be better off by up to Eur100 per week as a result of availing of such opportunities. These arrangements will also apply to people on Rent Supplement who take up full-time employment while they are awaiting transfer to the Rental Accommodation Scheme run by the local authorities.

People with disabilities

I have also been able to achieve one of the principal commitments in my Department's Disability Sectoral Plan. People in residential care prior to August 1999 or those who entered residential care subsequent to that date without an entitlement to Disability Allowance, are disqualified from receipt of the Allowance solely because of their residency. This situation was partially addressed in Budget 2005 when I introduced a new Disability Allowance (Personal Expenses Rate), currently payable at €35 per week to 2,700 people in residential care who qualified for this payment. This payment replaced the pocket money spending allowances which had previously been

paid to some of these residents by the Health Services Executive, but at a standardised and higher rate.

I am pleased to announce that I am now making these people eligible for full Disability Allowance as a matter of right, subject only to the same conditions as apply to others. This will ensure that all persons with disability in residential care have an entitlement to an income maintenance payment and are treated in the same way as other social welfare recipients.

As with other social assistance payments, capital held by a client in receipt of Disability Allowance is assessed with a disregard of the first €20,000. However, I recognise that persons in receipt of Disability Allowance may not have had the opportunity to accumulate savings or other income through participation in employment and that disability may, in some cases, hamper a person's ability to live independently.

I am also aware that in such circumstances, families may wish to make future financial provision for a child or sibling but are concerned that such provision might adversely affect their entitlement to Disability Allowance. Similarly, in cases where a compensation award has been made to a client as a result of accident or injury, they may be concerned about a reduction or loss of payment of DA and secondary benefits.

I am therefore introducing a higher threshold of €50,000 as the capital disregard specifically for the Disability Allowance scheme. This means that a client with disability may hold this amount of capital, or provision can be made for the client up to this amount, and still retain full payment of Disability Allowance. This measure is designed to address, to some extent, the issue of future financial provision for some of our most vulnerable clients, particularly by parents or other family members. There are approximately 500 people currently in receipt of a reduced rate of Disability Allowance who will benefit from the proposed increase in the disregard level.

As Deputies will be aware, the Citizens Information Bill, 2006 which is currently being debated by the House lays the statutory foundation for the provision of a personal advocacy service to people with disabilities. I am providing for a further €1.9m to Comhairle, soon to be known as the Citizens Information Board, to continue the development of this and related services next year.

Future Reform – Social Insurance System

Before I conclude I would like to say a few words about the Social Insurance system. As our welfare system matures, considerable efforts have been made to ensure our social insurance system is inclusive and that it remains relevant to the lives and needs of workers. Over 2.8 million people are now insured which is an increase of 1 million over the past 10 years. While social insurance contributions rates have fallen over the past decade, the benefits paid out on foot of these contributions has risen. Social insurance payments now account for almost half of all social welfare payments. Over the next decade, we must continue to ensure that the social insurance system continues to be relevant, flexible and affordable, while also continuing to serve our wider economic circumstances. In this context, two important reports will be published next year - the Green Paper on Pensions Policy and the Actuarial Review of the Social Insurance Fund. These reports will be critical to mapping out the future direction for social insurance and will assist in defining our national policy for sustainable incomes for all.

In the meantime, I am prepared to consider certain necessary measures to ensure that the system remains responsive to emerging situations. When Farm Assist was first introduced in 1999, it was recognised that a person should not have a PRSI liability where they were on sufficiently low income to warrant entitlement to a means-tested payment. Since then however, the PRSI entry threshold has remained unchanged, while the disregards in the means assessment have considerably improved. At this stage, a farmer claiming as a single person can have a farm income of up to €13,000 per annum, while still being excluded from PRSI liability, by virtue of a the Farm Assist payment. A person claiming increases for a spouse and children could have a higher income without being liable for PRSI. For them, a social insurance record can only be maintained through opting into the

voluntary contribution scheme. I consider this to be anomalous and not in the interest of protecting workers, notably in relation to accrued pension coverage. I therefore propose to remove the exception from PRSI liability for those availing of the Farm Assist scheme.

Earlier this year the Government published a White Paper on Development Aid and we pledged ourselves to spending 0.7% of our GNP on official aid by 2012, well ahead of the EU target date of 2015. Volunteer development workers from Ireland, are a crucial part of the support to developing countries. My role as Minister for Social Affairs is to ensure that insofar as possible, the social insurance entitlements of this group are protected during periods spent volunteering abroad and I am happy to consider proposals for enhancements in this regard. In this context, I am aware that the Joint Oireachtas Committee on Foreign Affairs, chaired by my colleague, Dr. Michael Woods, is examining the issue of future pension provision for missionaries.

I look forward to their report in due course. Proposals can then be developed further in consultation with Irish Aid and the development agencies in Ireland.

Conclusion

Ceann Comhairle, I will conclude my remarks on the 2007 Budget package by reiterating once again that it is a strong statement – if such was needed – of this Government's commitment to the elderly, children and all those who, for one reason or another, are more vulnerable in our society.

ENDS