

**Statement by Minister for Social Protection Joan Burton T.D.**

**At Budget 2014 Press Conference**

**Tuesday, 15<sup>th</sup> October 2013**

**Check against delivery**

This Budget continues the process of repairing the public finances while protecting the welfare safety net and providing a pathway back to work for jobseekers.

When negotiations on the Budget began, the Department of Social Protection was initially requested to make new expenditure reductions of €440 million.

Today, however, I can say I have been able to lower that amount to €226 million.

An additional €30 million in savings will be made through additional fraud and control measures in 2014, while €34 million will be saved through increased efficiencies and lower than expected demand on some schemes, bringing the Department's cumulative adjustment to €290 million.

I am keenly aware that reductions of €226 million will still impact on, and cause difficulties for, social welfare recipients.

However, the lower adjustment means I have protected the State Pension, Carer's Allowance, Disability Allowance and all other core weekly payments upon which people depend.

I have also protected crucial supplementary supports for pensioners, carers and people with disabilities, such as the Fuel Allowance, the Electricity/Gas Allowance, Free Travel, the Half-Rate Carer's Allowance and the Respite Care Grant.

Child Benefit has also been protected in this Budget, and will remain a vital universal support for all families and all children.

The principal reason I have been able to protect Child Benefit and the other crucial welfare supports mentioned is the Department's role in helping people back to work, which in turn has seen the Live Register fall.

Since coming to office, I have focused on transforming the Department from the passive benefits provider of old to an active, engaged and focused employment service.

I have spoken with groups representing older people, carers, people with disabilities, jobseekers and families.

I have met with employers and chambers of commerce around the country and harnessed their experience and expertise in developing a Department which provides a proactive, dynamic system of support for communities all around the country.

This work is continuing and the increase in the number of people in the workforce proves that this approach, combined with the work of my colleagues in Government, is bearing fruit.

The numbers in work rose by 33,800 in the year to the second quarter of 2013.

The Live Register is down by 20,000 over the past year, and will shortly fall below 400,000 for the first time since May 2009.

That is still far too high, of course, but we are making firm and visible progress.

It is chiefly as a result of this progress that I have been able to lower the expenditure reductions required of my Department to €226 million.

Even with this lower adjustment, however, the Department continues to play its role in the necessary deficit reduction programme as Ireland prepares to exit the bailout.

Overall welfare expenditure will fall below €20 billion in 2014 - despite demographic pressures in the shape of the increasing number of pensioners.

And welfare expenditure will continue to decrease further as we help more people back to work through our Pathways to Work strategy.

Getting people back to work is the most effective way of reducing welfare expenditure – and we are doing it. Every 10,000 we help off the Live Register saves around €90 million in welfare expenditure per annum.

Next year, the Department will spend €1.08 billion on work, training and education places and related supports for jobseekers – an increase of almost €85 million on our projected spend this year. I'm making the changes relating to Jobseeker's Allowance for young people in this context – to place a greater emphasis on work, training and education supports rather than income supports.

Signing on for Jobseeker's Allowance on a person's 18<sup>th</sup> birthday is not the start to adult life that any parent would want for their child. We have to be more ambitious for our young people.

During Ireland's Presidency of the EU Council, I oversaw negotiations on the Youth Guarantee, which will be introduced across Europe from next year.

The Guarantee will be a youth employment stimulus, offering good-quality work, training and educational opportunities for young people.

As part of this, the Department will further develop the range of opportunities currently on offer to young people in the form of internships, participation on employment schemes, subsidised private-sector recruitment, and supports for self-employment.

This crucial emphasis on opportunity will help limit a young person's time out of employment and prevent long-term welfare dependency.

The full range of youth employment initiatives will be set out in the Government's plan for the implementation of the Guarantee, which is to be submitted to the EU by the end of the year.

Measures will include:

- Incentivising employers to offer more job opportunities to young people by reducing the threshold for JobsPlus eligibility. JobsPlus offers direct cash grants to employers to hire persons who have been long-term unemployed. Currently, a person must be 12 months out of work before they can be deemed eligible. That will be reduced to six months or less, creating more opportunities on this scheme.
- Providing for an additional intake of 1,500 young people to the JobBridge national internship scheme.
- Ensuring that 1,000 places on the Department's Tús community work placement scheme are targeted at young people.
- In a further measure to support young adults, a minimum of 2,000 training places will be ring-fenced by the Department of Education & Skills for under-25s. These places will be provided under a follow-up to the successful Momentum programme that operated in 2013.

These measures are part of a focused shift from income support to services, with a total of €46 million to be invested in youth employment initiatives across a number of Departments.

These changes are about emphasising the importance of services over income support. Young people face a very difficult jobs market, and need assistance in the shape of work, training and education services.

I want to ensure that, in addition to the enhanced career and job prospects from improving skills and education levels, young people are financially better off in education, employment or training than claiming.

Providing a safety net for those in need and a pathway back to work for jobseekers are two of the three core functions of the Department.

The third is rooting out welfare fraud, and in that respect, my Department will raise a further €30 million next year through additional fraud and control measures.

I make no apologies for a zero-tolerance approach to welfare fraud – we simply must ensure that every cent of the welfare budget goes to those who need it the most.

My abiding political conviction since I first entered politics is that the strongest protection against poverty is decent, secure and fairly paid work.

Today's changes are in keeping with that conviction.

This budget will help more people back to work, reduce the overall welfare spend as part of the sustained effort to repair the public finances, and ensure the safety net remains firmly in place for those who need it most.

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