

DÁIL ÉIREANN

AN ROGHCHOISTE UM CHOIMIRCE SHÓISÍALACH, FORBAIRT POBAIL AGUS TUAITHE AGUS NA HOILEÁIN

SELECT COMMITTEE ON SOCIAL PROTECTION, COMMUNITY AND RURAL DEVELOPMENT AND THE ISLANDS

Dé Céadaoin, 26 Bealtaine 2021

Wednesday, 26 May 2021

Tháinig an Romhchoiste le chéile ag 9.30 a.m.

The Select Committee met at 9.30 a.m.

Comhaltaí a bhí i láthair/Members present:

Teachtaí Dála/Deputies	
Joe Carey,	
Joan Collins,	
Paul Donnelly,	
Heather Humphreys (Minister for Social Protection),	
Claire Kerrane,	
Éamon Ó Cuív.	

Teachta/Deputy Marc Ó Cathasaigh sa Chathaoir /in the Chair.

Estimates for Public Services 2021**Vote 37 - Social Protection (Further Revised)**

Vice Chairman: I have received apologies from Deputy Denis Naughten.

I remind members and witnesses to ensure their mobile phones are switched off for the duration of this meeting as they interfere with the broadcasting equipment even when on silent mode.

This meeting has been convened to consider the Further Revised Estimate for Vote 37 - Social Protection, which was referred to this committee by Dáil Éireann. As members are participating remotely, I ask them to put their microphones on mute for the duration of the meeting and indicate via the raised hand icon when they wish to contribute.

I welcome the Minister, Deputy Humphreys, and her officials, Mr. Ciarán Lawler, Ms Aideen Mooney and Ms Saidhbhín Hardiman, to the meeting. I thank the Minister and her officials for the comprehensive briefing document which was provided for this meeting.

Before we commence consideration of the Estimate, I reiterate previous comments made by members of the committee on numerous occasions over the past 15 months in extending our gratitude to all the officials across all grades throughout the Department for their professionalism, efficiency and dedication to public service in rising to the extraordinary challenges that have presented to the Department during the course of this pandemic. The staff in the Department of Social Protection have been exemplary in their service to this country during this crisis, and we should all be very proud of their service during these very challenging and extraordinary times.

As the Minister is present, officials should not speak in public session.

As for privilege, members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official either by name or in such a way as to make him or her identifiable.

I advise the Minister and her officials that her opening statement and any other documents they have submitted to the committee may be published on the committee website after this meeting.

Chun tú a chur leis an gcomhrá, tugaim cuireadh anois don Aire, an Teachta Humphreys, a cur i láthair a dhéanamh.

Minister for Social Protection (Deputy Heather Humphreys): I wish the Chairman and members of the committee a good morning. Before we start, I wish to take this opportunity to pay tribute to the bravery of the two members of An Garda Síochána who were shot and injured yesterday evening in Blanchardstown. This shocking event reminds us all of the dangers in which members of An Garda Síochána put themselves every day to protect us. I also pay tribute to the other members of An Garda Síochána who responded to the incident without any further injuries. I acknowledge the full support and co-operation they received from the other first responders. I wish both gardaí a swift recovery and thank them and all those who responded last

night to what was a very difficult and dangerous situation.

I thank the committee for the invitation to attend to discuss the 2021 Further Revised Estimates for the Department of Social Protection. Almost exactly a year ago, this committee considered the first ever Social Protection Estimate to include spending related to income supports introduced to provide assistance to people whose jobs and livelihoods were impacted by the pandemic. I am here today, one year later, to discuss the continuation of that support as we thankfully begin to work our way out of what has been a very dark time for our economy and society. As we all know, Covid-19 has presented many diverse and complex challenges for society, for the economy and for the Government in supporting our people who are dealing with these challenges daily. The speed of reaction required to deal with the ever-changing nature of the pandemic required decisions to be made quickly, and that is what the Government did. Across all branches of the Government, services and supports were galvanised to develop and deliver innovative measures designed to mitigate as far as possible the impact of Covid on the lives of our people. One of the critical challenges has been how to support workers who are suddenly without the means to support themselves and their families. This is why we have a social protection system and why it is important to secure the resources that allow us to respond efficiently and effectively in real time. The roll-out of the pandemic unemployment payment, PUP, in a very short space of time proved my Department's capacity to be responsive in providing invaluable income supports. The scope and range of other supports such as an enhanced Covid illness benefit and the flexibility introduced to rent supplement contributed to easing the financial impact of the virus on the most vulnerable in our society.

The Further Revised Estimate which the committee is to consider today reflects an ongoing commitment to supporting those who continue to be affected by the pandemic and all the Department's customers who need our support on an ongoing basis. When the 2021 Estimate was originally compiled in October 2020, parts of the country were at either level 2 or level 3 of the public health restrictions. That Estimate envisaged expenditure in 2021 of €25.13 billion based on Government decisions that had been made at the time, including that pandemic supports such as the PUP and employment wage subsidy scheme would close at the end of March. The resurgence of the virus in the weeks and months which followed led to the Government deciding to extend payment of and access to the PUP until the end of June 2021. The employment wage subsidy scheme, EWSS, was similarly extended to the end of June 2021. These decisions, as well as the extension of other Covid-related spending, mean that further funding is required in 2021 to meet these new commitments. An additional €4.1 billion in funding is required, bringing the Estimate for the Department's spending to €29.14 billion.

The primary drivers of the increase in social protection spending in 2021 are the schemes which provide support to the parts of the economy that continue to suffer the consequences of the Covid crisis. Nearly 20% or €5.75 billion of the total departmental spending of €29.14 billion is attributable to Covid-related schemes. PUP expenditure is estimated at €3.3 billion or more than 11% of the total 2021 expenditure. The funding of Revenue's employment wage subsidy scheme, EWSS, is estimated to be €2.36 billion, representing 8.1% of the 2021 Estimate. The Estimate also reflects the fact that the Social Insurance Fund, SIF, from which PUP is funded, is now in deficit. The €453 million surplus in the fund at the beginning of 2021 has now been eliminated. SIF expenditure for the year is projected to be €15.34 billion. With SIF income projections of €11.13 billion, the deficit for the year is projected to be €4.22 billion. Taking account of the 2020 surplus carried forward, the deficit, which will be funded by the Exchequer through the Department's Vote, will be €3.76 billion in 2021.

As Minister for Social Protection, I never lose sight of the fact that our core business is the provision of income support throughout the course of people's lives. Pension expenditure continues to be the biggest element of social protection spending. It represents more than 30% of total expenditure and amounts to €8.8 billion in 2021. Working age income supports, with projected expenditure of €7.9 billion, account for 27% of projected expenditure. This includes €3.3 billion for PUP expenditure up to the end of June 2021. It also includes €3.2 billion on jobseeker payments for the year. Illness, disability and carers payments, with expenditure of €4.9 billion, make a significant contribution towards supporting the most vulnerable in society and represents 16.8% of overall 2021 spending. Working age employment supports cater for a range of schemes aimed at helping people get or retain employment and have a projected spend of €3.3 billion or 11.3% of 2021 expenditure. Included in this figure is a €2.36 billion provision for the EWSS. Expenditure on children is nearly €2.7 billion in 2021 or 9.1% of overall social protection spending. The supplementary payments programme funds are a range of household benefits, free travel, fuel allowance and other schemes. It represents 3% of the projected 2021 spend at €878 million.

Currently, the live register records the number of unemployed as 173,293. This does not, however, include those on the PUP. To provide an assessment of the cost of supporting those not in employment throughout the year, the Estimate applied the unemployment rates underpinning the April 2021 stability programme update. Based on these quarterly unemployment rates, the numbers unemployed in each quarter, whether on PUP or jobseeker payments in the first two quarters, or jobseeker payments for the second half of the year, were determined. The Estimate is, therefore, based on a robust foundation of the 2021 unemployment costs, which is not revealed by live register numbers alone.

The broad overview I have presented to members of Vote 37 expenditure, is developed in greater detail in the comprehensive briefing material provided to the committee last week. It is, however, important to note that the expenditure underpinning this further Revised Estimate is based on decisions made at a point in time in a constantly evolving environment. The Government is actively considering how we continue to provide supports beyond June as we enter a new phase of the pandemic, where many people have returned to their jobs and people gain back the freedoms that were curtailed due to public health restrictions.

It is encouraging that, in recent weeks, we have seen in excess of 100,000 people leave the PUP and return to employment and self-employment. The coming weeks will see that progress continuing. Research from the ESRI and others has shown that the Department's response to the pandemic cushioned the financial shock for people throughout the State as the crisis hit, particularly for those in the lower income deciles. In excess of €7.6 billion has been spent on PUP alone. Some 23 million payments have been issued, with 865,000 people receiving at least one payment. More than 10 million calls have been answered. I acknowledge committee members and the Chairman have acknowledged the huge efforts by staff of the Department in every county to ensure people got the support they needed, when they needed it, during what has been a hugely challenging period for our country. I look forward to hearing members' views and answering their questions over the next few hours.

Vice Chairman: Go raibh maith agat, a Aire, as ucht do chur i láthair. I will repeat myself and acknowledge the great effort of staff in the Department, the Minister and her predecessor, Senator Regina Doherty. What jumped out at me from the Minister's presentation at the end were the figures of 23 million payments and more than 10 million calls answered: they are astounding numbers.

I invite members to raise any issues with her about the Estimate on a programme-by-programme basis. I request that members indicate what programme they are referring to from the outset. As we have a relatively small number of members in attendance, we will have multiple opportunities so we can give the Minister a chance to answer rather than over-egging it with questions from the off.

Deputy Éamon Ó Cuív: One of the big questions that arises now is, what happens at the end of June regarding the PUP? Will new people be able to go on the PUP after that or is it intended to cease it? We need clarification. People are dependent on this payment. Many people will not be back to work according to figures from the Minister's Department in reply to a parliamentary question I tabled. On 1 July, it is estimated that there will be 325,000 people in receipt of PUP. When will decisions be made on this so that people can plan with some certainty as to where they are going?

The second issue the Minister might clarify relates to the projected figure of 345,000 PUP recipients in the first week of June. She said there has been a drop of 100,000 in the past month. What is the latest figure she has for the number in receipt of PUP from this week or last week? Are we going to overshoot or undershoot the end of May-beginning of June target? Can she explain why we always go through this charade of not providing for the Christmas bonus in the budget calculations or in the Estimates? It makes year-on-year comparisons difficult to gauge, because it looks as if there is an over expenditure on the previous year but there is not really. The reality is that the bonus was paid out and it is not provided for in the Estimate. The Minister might explain why it is not provided. Is it intended to be back, as I hope? I presume she will confirm there will be a Christmas bonus. There is this situation of going through the year with people not knowing whether they are going to get it. There will be utter shock in the system if people did not get it. The Minister might explain that.

Third, how good is cyber control in the Minister's Department? We have seen what happened and can imagine what would happen if there was a ransomware attack on the social welfare system and payments could not be made. It is too horrible to think about. How prepared is the Department? It has a large range of systems, some of which are much older than others, and that they are constantly being renewed. That could pose problems. What is the situation, and will there be an immediate step up in protecting our social welfare system? After health, social welfare and Revenue seem to me to be the two key services in our system.

Deputy Heather Humphreys: I thank Deputy Ó Cuív for raising all those questions. I will try to take them but he should come back to me if I leave any out. As the Deputy will be aware, there has been a significant investment in the PUP. At its peak in May 2020, more than 600,000 people were availing of the payment and, as restrictions were eased, the numbers dropped to just over 200,000 in October 2020. That clearly shows that as the economy reopens, people want to get back to work. The future of the PUP continues at current rates and remains open for new applications until the end of June. The Government will set out the future of the PUP in the coming weeks, probably at the start of June. As one might imagine, I am talking to my Government colleagues about a pathway out of the PUP. We will soon have a better sense of how things are going with the vaccine roll-out, the number of new cases and the trajectory of the virus, and we will also have a clearer picture in terms of the numbers returning to work. We have been clear that there will be no cliff edge for people. We certainly have not been found wanting as a Government in regard to supporting people who have been out of work through no fault of their own. I will meet my Government colleagues in the coming week and we hope to make an announcement in early June.

The current number of people receiving the PUP is 345,000. We project that the unemployment number on Friday, 25 June, will stand at 523,281. We estimate that 330,047 will be on the PUP and 193,234 on the traditional jobseeker's payments. This estimate was based on assumptions made in April 2021, before the Government announcements on 28 April that have seen the reopening of sectors of the economy, with a significant number of exits from the PUP. We are doing much better than we had anticipated because the economy has reopened.

As the Deputy will be aware, the Christmas bonus is announced at budget time and is not provided in the Estimates. The briefing provided to the committee shows last year's expenditure without the bonus to aid comparison. The decision to pay the Christmas bonus is something the Department and I discuss with the Department of Public Expenditure and Reform and its Minister, Deputy Michael McGrath.

On the cyberattack issue, the Department has a full-time information security team, headed at principal officer level, and operates an information security management system, developed to meet the requirements of the industry standard ISO 27001. The Department adopts a security-by-design and defence-in-depth approach to cybersecurity, meaning the system and networks are designed and built with a view to minimising the risk of a security breach. Operational practices are developed and deployed to identify and deal with any breaches that may be attempted. The Department ICT systems are fully operational and are always monitored from a cybersecurity perspective. The recent HSE cyber incident has not affected the Department's core payment systems.

Out of an abundance of caution, the Department has deployed extensive additional cyber-defence mechanisms to provide additional reassurance. Nothing abnormal has been detected to date. The Department's information security team continues to monitor events closely and is liaising with the National Cyber Security Centre. This is an issue of which we are very conscious in the Department and much work goes into it. Sometimes we are criticised when we make announcements because there may be a lead-in time to putting those payments into effect, but one of the reasons there is a lead-in time is we have to build the system securely to ensure there are no cracks where hackers can get in. We are conscious that these criminals - they are criminals - are becoming more and more expert in their work, and we continue to monitor the issue closely at the Department. We are conscious that we hold a large volume of data and that the work we do is very important to people's daily lives.

Deputy Claire Kerrane: I thank the Minister for her opening statement. On the PUP, I appreciate that she cannot make a decision at this time but the initial plan was from April to move those remaining on the PUP over to the jobseeker's payments. Is that still being considered or what is likely to happen?

Has an extension of the fuel allowance, as it was last year, been considered by the Department?

Some people were moved from the PUP to jobseeker's payments because of the qualified child provision and so on. On the short-time work support, for workers such as those in airlines who are working on reduced days and whose industries have not fully reopened, they may be running out of the 234 days they are allowed to remain on that scheme and running out of their PRSI stamps. What are the options for them? Would the Department examine extending the time that people can remain on the likes of the short-time work support or the jobseeker's benefit, given that their industries are not fully up and running?

The Minister referred to the rent supplement and how that was made available for people during Covid, which was welcome. It was made available, has been extended to the end of the year, for people in domestic violence situations. Has the Department considered leaving that there permanently as a support for domestic violence victims or survivors? I think that would be important.

According to the Estimates, the blind pension accounts for a cost of roughly €12 million to €13 million every year - small money, I think the Minister would agree, relative to the size of the social protection budget. I recently met an artist who is in receipt of the blind pension, as I mentioned to the Minister the other day. She has to be careful about awards and bursaries because the blind pension is means tested. It reminded me of a case in my constituency office last year where the partner of a blind lady got a promotion and pay rise, which led to her losing her blind pension. The blind pension is unique in the list of means-tested social welfare payments in that if my partner's income increases, I am still blind. For an artist, it must be so difficult worrying about taking a gig or winning something in case he or she loses the blind pension. Should the blind pension not be treated differently? If a person is blind, he or she is blind for life. That should be examined and I would appreciate if the Minister would undertake to do that. It is small money for a small number of people.

I met staff members from the EmployAbility scheme yesterday. They are concerned about the tender and what is happening with the future of EmployAbility. I am sure the Minister will agree it is a unique service, aimed at persons with a disability or with mental health issues. Can she give any certainty on the issue? I acknowledge the Department is tendering out for job clubs in the local employment service, LES, but what are the plans for other schemes? What is the future for the likes of Tús and community employment? Will the Department tender out or contract out for all these services? The Minister might give an update.

I have previously raised with the Minister the issue of the widow's pension. The legislation is very outdated, given that it still requires the recipient to have been married in order to receive the widow's pension. I accept it is complicated and there are legal impacts and so on, but some of these people may have been with someone for 20 or 30 years. On the radio last week, there was a story about a person who had hoped to get married last March. The woman became very sick and the wedding had to be cancelled because of Covid. She later died, sadly, and the partner was left with nothing. Where there are kids or dependants or where someone has been in a relationship for long enough, there should be some way around this and these people should be supported.

Deputy Heather Humphreys: I thank the Deputy. The first issue she raised relates to the PUP. As I stated, I am considering various options in terms of the PUP as the economy reopens. I am discussing it with my Government colleagues and I will be in a position to make an announcement in early June. We are working very hard on it and I am conscious of several issues that we are taking into consideration.

As regards the fuel allowance, it is paid to 372,000 low-income households. In 2020, an increase of four weeks was provided on a once-off basis. Although I understand these are difficult times, especially for the vulnerable, any further measures have to be considered while taking account of the overall budgetary context and the availability of financial resources. In this regard, it is important to note the scale of the support provided throughout the pandemic, with more than €7.6 billion paid out on the PUP alone. Budget 2020 increased the fuel allowance by €3.50 per week from January 2021, ensuring recipients benefited from the increased payment through the winter. Finally, exceptional needs payments may be made to help meet once-off

costs, including heating costs.

In terms of the short-time working support, where a person has been temporarily placed on a shorter working week, he or she may be entitled to part-time jobseeker's payment or short-time work. As the Deputy stated, several workers in the airline sector have been availing of some of these supports. Where a recipient of jobseeker's benefit is working for part of a week, the amount of jobseeker's benefit he or she is paid is based on a five-day week. This means that for each day the person is employed, one fifth of the normal rate of jobseeker's benefit is deducted from his or her payment. The jobseeker's benefit payment week is calculated on a six-day week, with one fifth deducted for each day worked. The sixth day is an unpaid day but counts towards the cumulative total each week. The duration of the payment of jobseeker's benefit is nine months or 234 days for people with 260 or more PRSI contributions. It is paid for six months or 156 days for people with fewer than 260 PRSI contributions. It is a fundamental feature of the Department's range of benefit payments, including jobseeker's benefit, that the payment is time-limited. Time limits apply across a range of PRSI-related schemes, such as maternity benefit and illness benefit. Where a person exhausts his or her entitlement to jobseeker's benefit short-time work support, he or she may be eligible for support under the jobseeker's allowance scheme. The Department will contact recipients of jobseeker's benefit short-time work support ten weeks and four weeks in advance of the expiry of their payment.

As regards the blind pension, it is a means-tested payment. We can examine the means test in the context of the budgetary process. I accept the Deputy's point that if one is blind, one is blind for life, but we have to examine the issue because there are other medical conditions that, unfortunately, are also life-long conditions. I will consider the issue.

On victims of domestic violence, the pilot scheme will run until the end of the year. It has been a valuable scheme, especially in terms of providing support to victims of domestic violence such that they did not have to remain in the premises or in a very difficult situation. It is something that I very much support and I will certainly be looking at it towards the end of the year.

On the issue of the employability scheme, last Monday I met those running one of the schemes in my county and had a good long chat with them about the wonderful service they provide. One thing that struck me is that those running the employability scheme place people in jobs but it is the follow-up they do that is really important. If there are problems between the employer and the employee, they are able to facilitate addressing those issues. That is key to their success because they have been doing really good work. Some of those with whom they are dealing are long-term unemployed and vulnerable people and I take this opportunity to thank them for their work, as did the Deputy. As the Deputy is aware, we are expanding several schemes and I hope to publish the request for tender for the expanded schemes very shortly. The employability scheme goes to the end of the year. We have no plans as yet in that regard but, as the Deputy is aware and as I explained to the staff running the scheme, because of procurement rules we will have to put it out to tender in due course. At this point, the employability scheme continues. Just as the scheme is encouraging people to have the confidence to find new work and take up employment, those running it should have the confidence that they are well able to bid for this work. I am very confident, given their track record, the work they do and their involvement in the community, that they have a very good chance of winning the contracts.

I take the Deputy's point regarding the widow's pension in the context of partners. Last year, I increased the grant that get widows and surviving civil partners get. It is a once-off pay-

ment of €8,000. It had not been increased for many years. When a person is bereaved, it is a very difficult time for him or her. I was of the view that there is a lot of expense involved now with funerals and such things, so I increased the grant by €2,000 to €8,000. It is available. I take the Deputy's point. We review all our schemes to make sure they are suitable and meet the needs of citizens. As the Deputy can imagine, the legal context governs relationships such as marriage. It is regulated by the Minister for Justice. I suppose I will have to speak to her as well. The status of marriage and civil partnerships is a much broader policy area than its implications in this regard. I will certainly consider the issue.

Deputy Joan Collins: I thank the Minister for the report. As regards the PUP, members are aware that people are getting the payment based on what they earned before the restrictions came in. Now we can see there is an argument for tapering the PUP. If a person who is currently on €250 or €300 works in the restaurant or broader hospitality sector and is brought back for outdoor service but on fewer hours, such as for ten hours per week, and will only get €100, that person would be down by €100 or €150. There is an argument for tapering the PUP to cater for those workers so that they do not find themselves on probably half what they received on the PUP, which was calculated on the basis of their previous wages. I would like to hear the Minister's thoughts on that issue. Is she considering it?

Many of the questions I intended to ask have been covered and I will not repeat them. I refer to workers who were on the temporary Covid-19 wage support scheme, TWSS, payment from March to September last year. All present know why the scheme was brought in and I am not in any way arguing that it was a negative payment. It kept workers employed and it assisted employers whose turnover was down by 25% or more. However, I refer to the workers who worked right through the pandemic, such as pharmacy employees and many thousands of other workers. They found they had to pay tax on the TWSS payment. The workers see that as a cut in their wages because the basis of the payment, as arranged by the Government and the Revenue Commissioners, was that the employer would not have to return the PRSI or tax payment, such that the worker would get paid his or her net pay. Owing to that, workers found themselves paying tax on their net pay. Essentially, it was a cut in the wages of the workers and they are very aggrieved by it. This matter has not been given the airing it should have been given from the point of view of the workers. What is the Minister's opinion on that? Should the workers be in this situation?

Is the Minister considering introducing paid miscarriage leave at any point?

Deputy Heather Humphreys: I thank Deputy Joan Collins. With regard to the future of the PUP, I take the Deputy's point regarding the tapering. I am examining all the options and discussing them with my officials. I am also talking to the Minister for Finance and the Minister for Public Expenditure and Reform. I am trying to address this fairly. The one thing I have said is that there will be no cliff edge. I hope I will be in a position to make an announcement on this in early June. The issues the Deputy is raising are the matters I am taking into consideration. I appreciate any points made to me because it is all about trying to do our best. We are here to help people.

I understand what the Deputy is saying about the wage subsidy scheme and how it has meant workers ended up with somewhat less because they are being taxed on a lesser amount. I will raise that with the Minister for Finance, Deputy Donohoe. The rule is that if in any one year one earns a certain amount of income, regardless of the source, income tax has to be paid on it. That is the way it works but I will raise it with the Minister.

We review issues such as paid leave for those who have had a miscarriage. I can understand why somebody would need to get time off. It is a bit wider than that. An individual might have some type of illness also. It is a matter we will certainly consider.

Deputy Joe Carey: I join the Minister in paying tribute to the members of An Garda Síochána who showed their bravery last night in the shocking incident in Blanchardstown. I wish them the very best and a speedy recovery. The incident highlights the risk that gardaí take. They put their bodies on the line to safeguard the public. I wish the members of An Garda Síochána well.

On the Estimates, I pay tribute to the Minister and her officials for responding comprehensively to the huge challenge presented by Covid. I welcome the Minister's comment that a decision will be made on the PUP and wage subsidy schemes in early June. We need clarity in this regard. Certain sectors, including aviation, hospitality and tourism, have been affected more than others. These sectors are major contributors to our economy and employ hundreds of thousands of people. There is a strong argument to be made for extending the supports for the sectors until the end of this year and even into next year. I encourage the Minister to give strong consideration to that proposal with her Government colleagues.

I have a couple of points to make. I acknowledge the Minister has been working to try to resolve the issues concerning community employment, CE, supervisors. She has been engaging with the Minister for Public Expenditure and Reform, Deputy Michael McGrath, in this regard. Could she update the committee on the position on finding a resolution to the long-standing issue? Every member of this committee will be very familiar with the case. There were hopes that it could be resolved in the immediate term. I hope the Minister will have positive news about it.

I have received queries on the payment for people who retire at 65. The Minister will be aware that there are many companies in the Clare area, including the Shannon area, that employ a lot of people. Over the years, certain people retired at 60 but they are not deemed eligible for the new payment that was introduced. I have dealt with the case of a man who was 60 when he retired. He worked for 41 years and made all the relevant contributions but appears to be 13 contributions short and is not deemed eligible for the new payment that was introduced. This is grossly unfair. I ask the Minister to examine the circumstances. Again, I thank her for her attendance at this committee and for her positive engagement.

Deputy Heather Humphreys: I thank Deputy Carey for raising these issues. I thank him for his comments on the bravery of the gardaí last night.

As the Deputy knows, we have supported many people through the PUP, with total expenditure to date amounting to €7.75 billion. We are considering the future of the payment. It is the role of the social protection system to provide a basic income. With regard to sector-specific measures, we need to take the point up with the Ministers with responsibility for the relevant sectors. The social protection system has never paid sector-specific payments because it gets very complicated and it is probably unworkable. For example, where does one draw the line between a painter or electrician on a film set in the arts sector and a painter or electrician on a building site? Many supports have been given to the music, entertainment and arts sectors through the Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media, Deputy Catherine Martin. The Department of Enterprise, Trade and Employment has provided a broad range of supports for the business sector. Therefore, there are sector-specific supports within each Department.

We have been working with CE supervisors and have had discussions with them. For several years, they have been requesting, through their union representatives, the allocation of Exchequer funding to implement a 2008 Labour Court recommendation. The Department of Public Expenditure and Reform had to have regard to any potential Exchequer exposure associated with dealing with the specific issue relating solely to the CE supervisors arising from the Labour Court recommendations. The Deputy can appreciate that. Any proposals to resolve this specific issue can and will only apply to CE supervisors and CE assistant supervisors. We have been working closely with the relevant Department and we have made a proposal. The proposal was sent to the unions representing the CE supervisors and CE assistant supervisors. The unions had a few queries and we have reverted to them with the answers. We are engaging with the unions on this basis. I hope we will find a resolution very quickly. The process is at an advanced stage. Any settlement arising will apply only to those parties who were the subject of the 2008 Labour Court recommendation and the related discussions with the Department, that is, the CE supervisors and assistant supervisors. I am confident that we have a solid basis for progressing and resolving this issue while not exposing the Exchequer to any additional costs. That is the position as it stands. As I have said, I hope we will get this long-standing issue resolved fairly soon.

Regarding the payment for the 65-year-olds, the Deputy will remember that, before we brought in this payment, people who had to retire at 65 had to come in and fill out a form. This was the issue which was raised with me at the time. I saw it myself. They had to fill out applications for jobseeker's payments. These were people who had worked all of their lives but who had to retire at the age of 65 because of their contracts. They had to sign on and to present and say that they were available for work. I felt that was wrong. That is why we brought in the retirement payment for 65-year-olds. Originally, this could be claimed for nine months, depending on one's contributions. We then made it available for the full year but it only applied to people who retired at the age of 65. It remains in place. People do not have to sign on or attend an Intreo centre. The social insurance contribution requirements are not as high as those for State pension eligibility. Given that they have a recent attachment to the workforce, people retiring at 65 should, in most cases, meet the PRSI requirements. One has to have been working at the age of 65 to get it. That is part of it. Unfortunately, the particular person Deputy Carey mentioned would not seem to qualify but, if the Deputy wishes to provide me with the details, I am happy to take a look at the case.

Deputy Paul Donnelly: I thank the Minister for the report. I also commend An Garda Síochána on its actions last night in bringing to a conclusion, without any further injuries or loss of life, the incident that occurred just around the corner from my house. It is quite scary when one is coming home, as I was coming home from the convention centre last night, to see the place completely surrounded by gardaí. It was a very frightening incident for all of the community and particularly for the children from Mountview Boys and Girls Football Club, who had to be very quickly brought into the community centre. I commend the coaches, who acted very swiftly.

I have one quick question regarding women who are pregnant and who are in receipt of the PUP. As businesses reopen, many women who are pregnant will not want to go back to work in what may be unsafe environments. They may not have got the vaccine. Will the Minister assure such women that their payments will continue? Will she comment on that?

Deputy Heather Humphreys: I thank the Deputy for his kind comments regarding the actions of the Garda last night. The incident was certainly a big shock to all of us. The Deputy

and I were both in the convention centre and, when I came out, it was a big shock to hear that had happened. I acknowledge and recognise the community, which responded well, An Garda Síochána, who managed a very difficult situation, and the first responders who were on the scene. To everybody involved I say “well done”. It was a very difficult situation.

With regard to the PUP, I hear what the Deputy is saying in respect of women who are pregnant. These sorts of things all form part of the considerations. I take the Deputy’s point that such women are not able to go back to work. As I have said, we are discussing all of this. I have had a good number of meetings with my officials. We are trying to get this right. I will take all of the matters that have been raised with me today into consideration. I thank Deputy Paul Donnelly for that.

Vice Chairman: I will ask my own questions next. If members wish to come in for a second round of questioning, I ask them to use the “raise hand” function. I have a number of general questions but, in this round, I will focus on more specific questions arising from the Revised Estimate.

With regard to live register figures and their interface with the PUP, do we have figures as to the number of people who transition from the PUP to jobseeker’s payments? If we have such figures, what do they imply? If people chose to make that transition, it obviously shows that they decided they would be better off having done so.

What do we know about people on the PUP? Are we gathering that type of information? Do we know their living arrangements, their total household income or whether they are students or people who were formerly employed? This will obviously become a huge data set in the future. It would be very useful to have that level of information so that we can know what sectors are most liable to this type of shock. It would set a context for the continuing work in the Government with regard to universal basic income and for the way in which we set our basic welfare rates. What information is the Department gathering in that regard?

I very much welcome the significant increase in funding for school meals, 21.8% or €65 million. What metrics are we using to measure efficacy? Are we just talking about the number of meals on tables or the amount of money or are we looking at other ways of defining our success? Are we looking at the nutritional quality of the meals being delivered, for example? Are we looking at the social outcomes of children getting to sit together with a hot school meal? I am interested in the metrics used in this regard.

A very small scheme which jumped out at me is the experience year Europe, EYE, scheme. This caught my eye, and I am not going to apologise for the pun. Funding for this has increased slightly. It is a very interesting scheme for us. We know that young people suffered disproportionately during the lockdowns. It would be nice to see a pandemic divided for them, perhaps through a scheme like this which would support them in a European experience. It is a very welcome scheme. Would the Minister like to comment on that?

There is a line item for miscellaneous services. Some €17.8 million was provided for this in the Revised Estimates for 2021 and the outturn was €13.3 million. In this year’s Revised Estimate, the provision is back up to €20 million. What is funded under this line item? If the outturn was significantly below the Estimate provided last year, are we confident that the money will be spent this year?

I apologise that I am taking somewhat of a scattergun approach and jumping around. Under

administration, there is a heading for travel and subsistence which again shows the same pattern. It was approximately €5 million in the Revised Estimate for 2020 while the outturn was only €1.5 million. We can all understand why spending on travel and subsistence would be lower last year but in this year's Revised Estimate, the provision is back up to €4.155 million. Are we envisaging a return to business as usual? Is there not an opportunity to bring this spending down now that we are all much more used to remote working?

I have two other specific matters to raise. Some €18.6 million is allocated for other working-age supports. This may be a small figure within the overall context of the budget but does the Minister have additional details on this? In a similar vein, spending on the working-age employment support scheme is up 174%. There are ten smaller employment support schemes. We all understand the need to resource employment supports in the coming year, but will the Minister supply further details on this? The last matter I will raise in my scattergun approach is that there is an increase of €3.6 million in spending on eGovernment-related projects. I would not question this level of funding. In fact, I would imagine there is scope to increase it. Will the Minister provide some further detail on this? I will leave it at that for the moment.

Deputy Heather Humphreys: The Vice Chairman has asked me a number of questions. I will try to answer them. With regard to the PUP, we have collected a lot of data on the numbers in receipt of the payment. I do not have it to hand, but I have asked my officials for a breakdown with particular regard to those who have been on the PUP for the long term, that is, those who have been on it since last March, because we want to see the sectors affected and how we can get people back to work again. I will launch a pathways to work strategy in early June that will look at all the different supports we can give people to help them find employment. This could mean we need to retrain or upskill so there are a number of apprenticeship schemes and we are looking at a work placement support system. The main thing we want to do is help people find new jobs. Some may not go back to the jobs they had previously so we want to give them that support and confidence. This is also important because I speak to people, including older people and people who have been out of work for a long time, who will need confidence building because they have been at home or have not been out there in the workplace. We have all been out working and it is easier for us but for those who have not been, it is about giving them the support they will need to go back into the workplace. That is what the pathways to work programme will help to address.

I am particularly conscious of young people. We maintained the PUP for students. I was very strong in respect of doing this because I felt students lost their jobs in the same way as everybody did when this pandemic hit. We have continued to make the payment to them. Thankfully, as the economy reopens, we can look to a brighter future. I know there are a lot of young people who are just dying to get back to work and want to get out, meet their friends and return to normality. I expect that as the economy opens further, we will see a lot of people who will take up employment and return to work.

In respect of miscellaneous services, that expenditure includes *ex gratia* payments to women from the Magdalen laundries and other institutions, a small rent allowance scheme for people affected by the de-control of rents and information grants. The food aid programme under the Fund for European Aid to the Most Deprived is also included. The provision for miscellaneous services in 2021 is €20.9 million. When we were putting together budget 2021, we expected that the economy would reopen. None of us thought we would be in lockdown in January so the figures were produced on the basis that life would start to return to normality but that did not happen, which is why in respect of a lot of the figures referred to by the Vice Chairman, there

was an underspend in 2020 and an anticipated increase in expenditure for 2021.

I think I have covered most points. Other employment supports include an enterprise support grant, which aims to get people back to work; a training support grant; a credit union loan guarantee where we help people when they need to take out a loan; a part-time job initiative; an activation and family support project; and payments to long-term unemployed and lone parents. There are a number of different things. These are all working-age employment supports. I can get the Vice Chairman more details on that. Regarding e-government expenditure, it is necessary because we are investing in online and digital services. The experience of the pandemic has shown that many customers want to interact with us digitally. We all know that ourselves. We are doing our banking over the phone and want to be able to interact with Government services digitally.

I hope I have answered all the Vice Chairman's questions. The school meals programme has been a great pilot. I have increased it this year. My view is that it is hard to beat a hot meal in the middle of the day for schoolchildren. I am very supportive of that. We will carry out a review of it because the Vice Chairman is right. We want to make sure we are not wasting food and that the food has good nutritional value. I am still of the opinion that a good hot dinner in the middle of the day is great for children. It helps their concentration and is delivered to them in the schools. I am a big supporter of that. We have expanded the pilot scheme and I will continue to review that.

Vice Chairman: I will return to Deputy Ó Cuív for a second round of questioning.

Deputy Éamon Ó Cuív: I join in the thanks offered to the staff for their fantastic interaction with the public. The responses we on behalf of the public get as public representatives are prompt and thorough and give one information. So often nowadays, one gets official replies that say the matter is being considered and there are no timescales. There is good interaction with the Minister's Department, which is appreciated.

I looked at the Estimate regarding Tús and the community employment, CE. The Estimate for this year is up but the experience on the ground is down. I have figures for Connemara. Between 1 January 2017 and 1 January 2021, the number on Tús declined by 28% while the number on the CE scheme declined by 9%. I would love if I could say that unemployment in Connemara had decreased at the time but this was in the middle of the pandemic when more people than ever were on the PUP and standard unemployment payments. A lot of this is attributable to two things. The first is people not being referred to these schemes because a hold back by the JobPath programme where people who are very unlikely to get employment are not able to access these schemes because they must go through a whole process with JobPath first. The second issue is that there are unnecessary limits to how long someone can spend on these schemes. I have never seen the rationale for pulling people off schemes and putting them back on to means-tested social welfare payments. It is demoralising when people do not have the opportunity to get up in the morning, go into work, socialise and make a contribution. It is an urban upper middle-class myth that people who get good employment in the commercial economy will be happy on a CE or Tús scheme. The idea that if we allow them to stay on longer, it might disincentivise them from being activated is an urban myth. It is not my experience of real people on the ground. Will the Minister look at the length of time people can stay on these schemes, particularly on Tús because CE is more expensive and involves training? It concerns whether after a number of years when a person has done all the training, that will make any difference in terms of activation. What the person needs is a job or somewhere to work and make a contribution to the community. This issue needs to be tackled. Unless Connemara is unique,

I would be very surprised if at the end of the year, the Department spends its budget here.

There was a discussion earlier about pensions for CE supervisors. I welcome the progress being made and hope this matter can be brought to a resolution and that the discussions lead to a good outcome. However, the Minister knows that it is a bit disconcerting when people say that rural social scheme and Tús supervisors will be treated in a totally different manner. I expect that what will happen here is that we say that they are similar schemes and should be included in this package. What discussions are taking place based on the reality? Sometimes we deny realities that are inevitable rather than getting on and doing the thing that will have to be done and that is right to do.

At the end of the year, there is a projected figure of 395,000 unemployed. I find that a little surprising. One would have hoped that by autumn, every adult in the country who wants it would have been vaccinated. Obviously a small number will opt not to have one. I am surprised the projected figure for unemployment is that high. I would have thought that in some sectors of hospitality, because people had been deprived of going out, they would be even keener to go out. I understand big indoor events in particular, concerts and so on, would be more difficult, but there will be other sectors of hospitality that would be even stronger than ever, with people taking staycations and so on. I accept aviation would be down, but looking at it sector by sector, I am surprised the projected figure is that high. On what is it based?

The PUP has three rates of payment. One is the exact same as jobseeker's allowance. How many people are on the three rates? It is one thing to say there are 345,000 on PUP but a breakdown would be interesting. How many are on the €203 rate, the medium and the high rates? That would be useful to us when thinking about this issue and in future debates on how we find a way forward from where we are. I welcome the Minister saying there can be absolutely no cliff edge. It would be useful for us to know how many people are at the different cliff faces, the high one and the very low one.

I join those who wish well the two garda who were injured last night. It is horrific that this is happening in the streets of our country. I would love to see guns out of this society in total. Guns and criminality are a huge challenge we face. We must all work to ensure we not only deal with the actual criminals but also with the underlying social issues that, unfortunately, breed antisocial and criminal behaviour. We have a huge job to do in early diversion of young people.

Deputy Heather Humphreys: I thank the Deputy. That is exactly why it is so important we invest in our young people and give them the supports they need to find employment and show them there are better ways. That is something this Government is committed to - to helping our young people in every way we can.

There were a lot of questions there. One was on the pensions for CE supervisors and why we cannot extend it to Tús and the rural social scheme supervisors. All these schemes are delivered by independent bodies. The promoters of the schemes are funded by my Department. While it provides funding for participant and supervisors payroll, the Department is not the employer of any scheme participants or their participants. We need to be clear on that.

Community employment supervisors and assistant supervisors have for some time been seeking the allocation of Exchequer funding to implement a 2008 Labour Court recommendation that specifically related to a pension scheme for community employment supervisors and assistant supervisors. It is within this context that officials from my Department, the De-

partment of Public Expenditure and Reform and the unions representing community employment supervisors and assistant supervisors held discussions on proposals to progress this issue. These discussions were held on the clear agreement by all involved that they related solely to community employment supervisors and assistant supervisors. The Minister for Public Expenditure and Reform, Deputy McGrath, and I recently reached agreement in principle to try and resolve the issue. It has gone to the unions and I hope we will have a resolution in due course.

We have increased the numbers on CE schemes as part of the July stimulus package. We announced an additional 3,000 places. Unfortunately, the lockdown meant some schemes were impacted by restrictions. There are 1,760 vacancies on community employment and 1,458 on Tús schemes. The community employment sponsoring authorities are encouraged by my officials to promote awareness of the benefits of community employment in local communities and to advertise their vacancies on the Department's recruitment portal www.jobsireland.ie. I take the Deputy's point about the length of time people are on these schemes. CE schemes provide two services: job activation and a social service. Until we recognise that, we will always have these problems where people want to stay on, they reach a certain age, and if they get another six months on the CE scheme, they might be due to retire. It is either that or they might get another two years. We have to recognise that.

I have met with a number of the CE supervisors and listened to their concerns. A report was done and it said you are stigmatising people if you put them in the category where they can stay on and you do not expect them ever to work again. On the other hand, there are those who want to stay on and who are doing really valuable work in their communities. If those services they provide were not available, there would be a gaping hole and somebody would have to provide them. There is a further conversation we have to have on CE schemes and I am prepared to have it. I am clear we need to look at it from the perspective that it is a job activation measure and does really good work in that. Many young people come in, get the work experience and training, and then get jobs. That is what it is meant to do, but there is also the social side to it. I am happy to work with the committee on that because it is something I feel strongly about.

As I said, there were a number of measures in the July stimulus to get people back to work, many of which we could not activate because the economy was closed down. We will be getting these back up and running and they will form part of the Pathways to Work strategy. I have been talking to the labour market advisory council which has given us good advice on how we go forward.

On PUP rates, 45% in receipt of the payment are on €350, 18% are on €300, 17% on €250 and 20% are on €203. The vast majority on the PUP are higher earners. The Deputy mentioned our projection of 395,000 unemployed. They are all projections and it is hoped the numbers will reduce, but we have figures to back up the projections. The unemployment numbers in the Revised Estimate are based on the assumptions of rates and numbers of unemployed used by the Department of Finance in the development of the stability programme update which was published in April 2021. The stability programme update assumed that the quarterly unemployment rates would be 24.4% in quarter 1, reducing to 11.2% by quarter 2. The numbers range from 592,000 in quarter 1 to the actual number of those on the live register plus the pandemic unemployment payment recipients, which was 273,000 by the year end. As Deputies are aware, we are constantly monitoring projected unemployment. The latest Central Statistics Office data for April 2021 recorded a Covid-19 adjusted overall unemployment rate of 22.4%. This includes all those in receipt of the pandemic unemployment payment. The traditional International Labour Office level of unemployment is 5.6%. Neither of these is likely to represent the

true underlying level of unemployment. It is likely to lie between the two estimates.

The quicker the economy gets opened up, the better the position we will be in to beat the figures. We have said we will get more people back to work. The roll-out of the vaccine programme has been successful. As the Deputy said, the vaccine has been rolled out and we want to get more people back. People want to get back to normality and get back to the workplace and to social interaction. We want to support them to do that.

Vice Chairman: I have one eye on the clock. If members come in with additional questions, please be brief and to the point.

Deputy Joan Collins: I will be brief and to the point. I want to come back on the temporary wage subsidy scheme. I take the point made by the Minister that people pay tax on their income. However, the scheme was brought in under extraordinary circumstances. There must have been an arrangement between the Department of Social Protection, the Department of Finance and the Revenue Commissioners to forfeit the original tax that would have been due on the gross pay of those workers. There was an arrangement to forfeit PAYE tax at that point. Many workers did not realise they were on the temporary wage subsidy scheme because they were getting net pay and their employers did not have to inform them. We know that thousands of employers availed of the scheme. Therefore, thousands of workers were affected by it.

The idea of taxing those workers under an extraordinary scheme brought in on net pay has to be reviewed. Under the initial scheme the Government was able to forfeit tax on gross pay. It should be able to forfeit tax on net pay. Effectively, these workers are taking a cut in their wages. That has to be looked at by the Government from the point of view of these workers. These workers were going into work. It was the first phase of the restrictions. They had no idea what was going to happen. They were afraid of their lives. This was especially the case for pharmacy workers who would have gone back to their families thinking they were probably bringing home the virus and so on. Given the extraordinary circumstances we were dealing with in respect of the scheme, the Government should look at the impact it had and the unintended consequences for those workers in taking a pay cut. I will leave it at that and ask the Minister to look at it again from that point of view.

Deputy Heather Humphreys: I take the point the Deputy is making. It was a valuable scheme. It kept employers in touch with their employees. For some, employers received the wage subsidy scheme and it was passed on to the employees. Many employers topped up the payment and made up the difference between what they got on the TWSS. That was the purpose behind it. However, I take the point the Deputy is making for those who could not afford to do that.

As the Deputy knows, tax issues are a matter for the Department of Finance and Revenue. We are the administrators and it came out of our budget, but tax issues are a matter for the Department of Finance and Revenue. It is underpinned by legislation. I will take away the points made by Deputy Collins. I understand them and I have had the same points made to me. I will discuss it with colleagues.

Deputy Joe Carey: I wish to bring the Minister back to the hot school meals programme. It is a progressive initiative introduced by the Department of Social Protection this year. As I understand it, 281 applications were made of which 189 were successful. There was some disappointment. In County Clare we had four successful applications. They were welcome. I am concerned about schools that have lost out. I know from correspondence I have had with

the Minister directly that she will look at the matter again once she has confirmed the position on successful schools. When will the Department be in a position to do that? If some successful schools do not take up the scheme, can others schools that were not successful aspire to get into the scheme this year? Will the Minister outline a pathway for those schools to get back into the programme?

Deputy Heather Humphreys: I will comment on the process for selecting those schools. We increased the budget considerably because the pilot scheme involved 37 schools. This year we brought the number up to 189. Those schools were picked on a random basis by the computer. There is one situation in particular where there are four schools in one campus. Three are getting the hot school meals and one is not. Those involved are not happy and I can understand why. If I had picked them myself, some would have said I had hand-picked them, and I do not know what they might have thought I was trying to do. A computer picked them this time. We have to blame the computer. The computer looks at roll numbers but does not really know the situation. What can I say? I am looking at it carefully.

I am fond of hot school meals. Schools that put in applications and that want to do this and engage in it deserve to be supported. A total of 281 schools submitted expressions of interest. Some may not go ahead. The Deputy should leave it with me. I am engaging with my officials. I am a big supporter of the scheme. It is a really good scheme. I love to see a child getting a good hot dinner. Maybe that is the mother in me. Anyway, I will say no more for now but I would urge the Deputy to leave it with me.

Vice Chairman: The school teacher in me very much agrees with you, Minister. The more hot meals we can get to children, the better.

I will inflict my scattergun approach on the Minister again. I will begin with two of the measures announced by the Minister in the July stimulus plan, namely, the work placement experience programme and the JobsPlus programme. The Minister touched on this already. How are we doing in terms of take-up? Are we getting the employers? It has been a difficult context to roll out those schemes. Are we hitting targets? Are we getting anywhere close? What are the sectors where we are seeing deployment?

Young people have been mentioned repeatedly. That is appropriate and I will mention them again. We know they have been disproportionately affected by the contraction in the labour market. It has been very much in hospitality and so on. They will now face a reduction from the pandemic unemployment payment to a lower level of jobseeker's allowance, especially for people under 25 years of age. I am concerned this will affect young people with lower social capital in particular. They are less likely to be in education and they may now find themselves more distant from the labour market. Are we specifically planning ahead for how we deal with that so that we do not have young people falling into long-term unemployment?

Some issues have been raised with me relating to people whose income dropped during the course of the pandemic. Maybe they fell behind in their rent or mortgage payments or utilities. I am concerned we will have an overhang of Covid-19 debt. People will fall into hardship. Certainly, we do not want to see people cut off from utilities or losing rented accommodation. Is there any contingency within the departmental budget to deal with that as we begin to come out of this Covid crisis? In a more general sense are we beginning to see the new policy direction of this Government and Department reflected in the figures? I think it was Joe Biden who said: "Don't tell me what you value; show me your budget, and I'll tell you what you value." Are we beginning to see that support for lone parents, the cohort most likely to be affected by issues

such as deprivation or isolation? There are very ambitious targets in regard to consistent poverty of about 2%. Are we beginning to see forward planning on the Department's part in regard to how we will achieve this, not just in this budget but over the lifetime of the Government?

We always talk about base rates in absolute terms and cash figures, whether that is the €5 increase in the pension or whatever it is. That tends to apply to both pensions and jobseeker's payments. Has the Department considered the potential benefit of benchmarking payments against other measures, such as the cost of living or as a percentage of the average industrial wage? Are we considering different ideas for how we measure these payments?

Deputy Heather Humphreys: I am very conscious that we need to support young people and that is why we have all these programmes, including the EmployAbility service, that target young people who have difficulties getting back into the workplace. I met representatives of EmployAbility on Monday and they explained to me how when young people come in to the service, they are placed with an employer and sometimes there are problems. A typical example could be if somebody is suffering from an addiction and is trying to go to work. He or she might then miss an appointment with the addiction support service and slip back, and then the employer wonders why the person is not at work. When there is somebody who can connect and address those issues, there is a better chance of resolving it. The employer can give the employee time off to attend the service and there will be a better outcome. I am very conscious that we must provide those services for people who need to get back to work, and particularly young people.

There are some figures regarding youth unemployment. At present, approximately 43,000 PUP recipients are students, 90% of whom are under 25 years of age. Using the international definition of unemployment set in the International Labour Organization, students are generally not counted as unemployed as they are not considered part of the labour force because they are in education. Therefore, the inclusion of students has inflated the Covid-19-adjusted measure of youth unemployment.

Having said that, I am not taking away from the fact that we need to focus on getting our young people into work and skilling them. There are many jobs out there at the moment but some of them do not have those skills, so our further and higher education system is important. As the committee will be aware, the Minister with responsibility for that matter, Deputy Harris, has launched a new apprenticeship scheme and a number of supports are available in that regard to reskill and upskill, and to take on the jobs of the future. I am familiar with a number of projects from my time as Minister for Business, Enterprise and Innovation where the focus has to go on industry 4.0. We have to train people. While it may still be on the factory floor, it will be about telling the robots what they have to do. Many young people are very interested in programming and so on, and we have to capture their imagination, look to the future and use technology in every way we can.

The Vice Chairman mentioned the work placement experience programme and a number of other programmes we launched in the July stimulus package last year. Unfortunately, we were not able to launch some of them because the economy was closed and the jobs were not there. I will announce the pathways to work early next month and it will certainly be a case of all hands on deck. Every effort will be made to maximise the take-up of all the supports out there.

In recent budgets, we have targeted resources at those at most risk of poverty. In the most recent budget, the employment income limit of €425 was removed from the working lone parent benefit. We increased the qualified child allowance by €5 a week for children aged 12 and

over and €2 a week for children up to age 12, while for pensioners and people with disabilities, we increased the living alone allowance. There a number of other supports we provided in the previous budget. It was targeted at those who needed it most and we wanted to help those most in need.

Regarding the indexation of pensions, as a first step the Department undertook a consultation process with a number of interested stakeholders throughout 2019 to hear their views. The outcome of these discussions was considered and, in consultation with the Department of Public Expenditure and Reform, the Department has developed proposals for setting a formal benchmark for contributory State pension payments. The roadmap for social inclusion outlines the potential approach currently under consideration, using what can be described as a smooth earning system that ensures that, over the long term, the relative value of welfare payments compared with market earnings will be maintained and, over any short-term period, the real value or purchasing power of these payments will be protected. I have asked my officials to continue to engage with their counterparts in the Department of Public Expenditure and Reform with a view to progressing this work.

Vice Chairman: On metrics and how the Department measures the success of our welfare system, we measure issues such as workforce participation, deprivation and consistent poverty. I have one eye to the work being done by the Government on the well-being indices, which is under way. Are there other measures we use in regard to our social welfare outputs, such as well-being? Do we have health outcome data on the effects of reducing poverty in certain cohorts? One issue that has come home to me over the course of the pandemic in particular, although I am sure it applies at all times, relates to subjective measures of community participation or people experiencing loneliness, for example. Some people question the merit of subjective measures but I think they are important and they have a role to play. The Department is probably uniquely positioned to gather such data on people living alone, for example.

Has the Department begun work to evaluate our Covid response in the context of key policy outcomes? I refer to lone parents and how difficult they must have found the period of home-schooling in particular. They would have been receiving payments from the State, but are they now more distanced than ever from the workforce? Are we keeping an eye on that and on how our Covid response has affected those particularly vulnerable cohorts? Is this informing our future budgetary decisions?

Deputy Heather Humphreys: Across Government we evaluate all these issues and examine the impact, and of course there will be a review of Covid, the impact it had on society and the issues on which we need to focus post Covid.

On the role of the Department regarding equality budgeting, we introduced equality budgeting on a pilot basis in 2017 as part of a commitment in the programme for Government in 2016 to developing the process of budget and policy-proofing as a means of advancing equality, reducing poverty and strengthening economic and social rights. The pilot was relatively successful in pushing for equality considerations. In 2019, the OECD was commissioned by the Department of Public Expenditure and Reform and the then Department of Justice and Equality to conduct a review of Ireland's approach to equality budgeting, both to accelerate the uptake and impact of the initiative and to take account of developments. The OECD recommendations will underpin overall future implementation and the establishment of an interdepartmental network of equality budgeting contact points. By improving knowledge sharing across Departments, this network will help to resolve several challenges highlighted by the OECD. The network will also facilitate cross-Government training on the purpose and application of

equality budgeting. The interdepartmental group will include a senior member of staff from each Department, with each member having a broad knowledge of the policy work undertaken by his or her Department and its relevance to advancing the goals of equality and inclusion. This network will help inform the future direction of equality budgeting policy in line with the provision of a distributional overview by income decile and household type. There is a lot of work ongoing in this area and we continue to have a strong focus on proofing all our budgets in respect of these targets.

Vice Chairman: Thank you, Minister. As no other members are indicating, that concludes our consideration of Vote 37 - Social Protection, Further Revised Estimate. Arís, a Aire, ba mhaith liom mo bhuíochas a ghabháil leatsa agus le hoifigigh na Roinne as an gcúnamh a thug sibh don gcoiste inniu.

Message to Dáil

Vice Chairman: In accordance with Standing Order 101, the following message will be sent to the Dáil:

The Select Committee on Social Protection, Community and Rural Development and the Islands has completed its consideration of the following Further Revised Estimate for public services for the year ending 31 December 2021: Vote 37 — Social Protection.

The select committee adjourned at 11.11 a.m. *sine die*.