



# DÁIL ÉIREANN

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*Dé hAoine, 11 Nollaig 2009.*  
*Friday, 11 December 2009.*

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Chuaigh an Ceann Comhairle i gceannas ar 10.30 a.m.

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*Paidir.*  
*Prayer.*

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## Order of Business.

**The Tánaiste:** It is proposed to take No. 42, statements on the carbon budget; and No. *a4*, Social Welfare and Pensions (No. 2) Bill 2009 — Second Stage (Resumed) and Subsequent Stages. It is proposed, notwithstanding anything in Standing Orders, that the proceedings on No. 42 shall, if not previously concluded, be brought to a conclusion after 65 minutes and the following arrangements shall apply: (i) the statements shall be confined to a Minister or Minister of State and to the main spokespersons for Fine Gael, the Labour Party and Sinn Féin, who shall be called upon in that order, who may share their time, and which shall not exceed 15 minutes in each case; and (ii) a Minister or Minister of State shall be called upon to make a statement in reply which shall not exceed 5 minutes.

**An Ceann Comhairle:** There is one proposal to be put to the House. Is the proposal for dealing with No. 42, statements on the carbon budget, agreed to?

**Deputy Caoimhghín Ó Caoláin:** It is not agreed.

**Deputy Enda Kenny:** This proposal is not agreed to. The behaviour of the Government, in the context of the way it wants to do its business, is the most arrogant of any Administration I have ever seen. The Order of Business is absolutely contemptuous. It is proposed that we take statements on the carbon budget for 65 minutes and then guillotine the debate on the Social Welfare and Pensions (No. 2) Bill at 6.30 p.m. Only 16 Members of my party have had the opportunity to speak on the latter, and then for only five minutes each.

**Deputy Michael Kennedy:** If Deputy Kenny had heard what the Members of this party had to say on the Bill last night, he would be happier if they had refrained from contributing.

**Deputy Michael Ring:** Well said. We were all impressed with the old rubbish uttered by Deputy Kennedy.

**Deputy Denis Naughten:** We all heard the claptrap uttered by Deputy Kennedy and his colleagues. Wait until the Members opposite return to their constituencies. They will not repeat to their constituents what they said here. They would be terrified to do so.

*(Interruptions).*

**An Ceann Comhairle:** Deputy Kenny, without interruption.

**Deputy Michael Ring:** Deputy Kennedy only talks old rubbish.

**Deputy Enda Kenny:** I listened to Deputy Kennedy's contribution to the debate on the Bill. If he played corner back in the same way when he was involved in sport, he would be dropped from the team immediately.

**Deputy Michael Ring:** That is why he is only on the subs bench.

*(Interruptions).*

**Deputy Enda Kenny:** I must inform the Tánaiste, who represents a constituency in the north west, that what she is attempting to do here is both contemptuous and disgraceful. The Government is acting in a way that is completely contradictory to the norm. Ned Kelly is famed in song and story for robbing the rich to help the poor. The Government has made many people very rich and has left them untouched while it tramples on the poorest of the poor in society.

**Deputies:** Hear, hear.

**Deputy Enda Kenny:** The Tánaiste may believe that because the Government squared up to deal with a particular situation on Wednesday, it has now talked the talk and acted in a tough and decisive manner.

**Deputy Billy Kelleher:** Deputy Kenny was obviously listening to Deputy Gilmore on the radio this morning.

**Deputy Enda Kenny:** She may believe that by alienating the public service, the members of which are obliged to deliver a huge range of services on a daily basis, the Government is influencing those in the private sector who cannot obtain loans from any of the banks.

**Deputy Seán Power:** This is a Second Stage speech.

**Deputy Enda Kenny:** In the meantime, there are those in receipt of pensions in excess of €100,000 and gross incomes of well over that amount who have been left untouched. The Tánaiste, as deputy leader of the Government, seems to be of the view that it is fine to take €8.60 from people who care on a full-time basis for their loved ones — mothers, fathers and other family members — be they incontinent or suffering from Alzheimer's disease, and that everything will be fine and rosy in the garden.

What the Government is doing is absolutely disgraceful.

**Deputy James Reilly:** Shame on the Government.

**Deputy Enda Kenny:** Members of Fianna Fáil from areas throughout the country will have received representations from private sector interests which are indicating that they cannot obtain money from any of the banks to keep their employees in work or their businesses in operation.

**Deputy James Reilly:** That is true.

**Deputy Enda Kenny:** At the same time, the Tánaiste appears to be of the opinion that it is possible to create a situation whereby this Fianna Fáil-led Government will obtain great support from the private sector because it took on the public sector and walked all over those in receipt of the lowest rates of social welfare payments.

**A Deputy:** What does the Minister of State, Deputy Kelleher, have to say to that?

**Deputy Billy Kelleher:** Deputy Ring is much better at expressing indignation.

**Deputy Shane McEntee:** The Minister of State should listen to the truth.

**Deputy Enda Kenny:** That is not good politics. The Minister of State, Deputy Kelleher, challenged Fine Gael to put forward an alternative view prior to the budget. We duly produced a costed, detailed document which, if accepted, would have achieved €4 billion in cuts while protecting children, pensioners, those with disabilities, the blind and the carers.

**Deputy Michael Ring:** Shame on the Minister of State.

**Deputies:** Hear, hear.

**Deputy Paul Kehoe:** The Government does not care about blind people. It is robbing the blind.

*(Interruptions).*

**Deputy Enda Kenny:** Our proposals would also have protected the 55,000 public sector workers who earn less than €30,000. They would also have provided an €18 billion stimulus for job creation in an area — namely, key infrastructure — in respect of which Ireland has fallen so far behind other countries that it has lost a serious amount of ground in competitive terms.

**An Ceann Comhairle:** We are moving away from the item on the Order of Business.

**Deputy Enda Kenny:** I propose that the Tánaiste scrap the Order of Business. I want every Member from my party to be able to contribute to the debate on the Social Welfare and Pensions (No. 2) Bill.

**Deputy Paul Kehoe:** Hear, hear.

**Deputy Enda Kenny:** I am sure the Labour Party wants the same thing.

**Deputy Paul Kehoe:** Deputy Michael Ahern should sit down. We do not want to hear him.

**Deputy Enda Kenny:** If the Tánaiste thinks she can come in here and do whatever she wants, she has another thing coming. It is very easy for the former Minister of State, Deputy Michael Ahern, to talk tough from the comfort of a State car with an armed garda. He should remember that the bottom line is that the garda is there to protect State property, which is the car and not the Minister of State.

**Deputy Michael Ring:** We cannot hear Deputy Michael Ahern. We could not hear him when he was a Minister of State either.

**Deputy Enda Kenny:** I hope we do not have a period of serious, aggressive unrest in this country.

**Deputy Dermot Ahern:** The more Deputy Kenny speaks, the more he sounds like Deputy Ring.

**Deputy Enda Kenny:** Politician to politician I say to the Tánaiste, there was a better way and a different way, where the public service could be brought with the Government in an understanding of effective reform. The Government has now given them an unmerciful belt in the solar plexus and has lost all authority to negotiate with them.

**Deputy Noel Dempsey:** We took €1.7 billion from them.

**Deputy Enda Kenny:** The Government will not be able to achieve public sector reform. It has done down the private sector and walked on those in receipt of social welfare. I propose rejecting this Order of Business to allow for the Social Welfare and Pensions (No. 2) Bill to be returned to the House next Tuesday so that every Member will be given the opportunity to express a view on it.

**Deputy Michael Ring:** The Government took €4 off the old age pension by not granting the Christmas bonus. Shame on the Government. They talked about Ernest Blythe but they are worse than him.

**Deputy Dermot Ahern:** There must be something in the air in County Mayo.

**Deputy James Bannon:** Deputy Dooley should go back to his former career. He might get more respect.

**Deputy Dermot Ahern:** Muppets.

**Deputy Michael Ring:** There would not be a bob left for him to collect.

**An Ceann Comhairle:** Deputy Bannon, please. I call Deputy Gilmore.

**Deputy Eamon Gilmore:** I agree with Deputy Kenny that this is an arrogant Government. It is so arrogant that it wants to put this Bill through, round up all its people, round up its six strays and get them in here this evening to vote on a measure——

**Deputy Seán Power:** Deputy Gilmore is a bit of a stray himself.

**Deputy Dermot Ahern:** The Workers' Party, the Socialist Workers' Party, New Agenda, Democratic Left, Official Sinn Féin and probably the Communist Party of Ireland.

**Deputy Bernard J. Durkan:** We need time set aside for Government Deputies to laugh.

**Deputy Eamon Gilmore:** Unlike Deputy Power I am a voluntary stray. Deputy Power has been compulsorily strayed. This Government is attempting to pass a social welfare Bill to take money from the blind and those providing care in the home for sick members of their family rather than having them in institutional care at greater cost to the State. The Bill also takes money from widows and from people paid less than €600 per week, while top bankers on €500,000 a year are not touched. The Government is doing this in a way that treats the Dáil with contempt. It also did so yesterday.

It is questionable whether the social welfare Bill is properly before the House. Yesterday, my colleague Deputy Shortall opposed the order proposed by the Minister for Social and Family Affairs. The Ceann Comhairle called a vote on it, the Minister for Social and Family Affairs overruled the Ceann Comhairle and no vote was taken on it. This raises the question of whether the social welfare Bill is properly before the House. Politically, the Government is attempting to get Deputies Healy-Rae, Lowry, Grealish, McDaid and the two strays from Sligo to vote to cut money from people who are blind, those providing care, the widowed and those in bad circumstances before Members get back to their constituents. This is a political order to get the social welfare Bill through before Deputies are exposed to constituents discussing it with them. The Labour Party will not agree to this order. This is the height of arrogance and it adds insult to the injury inflicted on these people last Wednesday.

**An Ceann Comhairle:** Before calling Deputy Ó Caoláin, I wish to address a point raised by Deputy Gilmore.

**Deputy Jackie Healy-Rae:** Ceann Comhairle——

**Deputy Paul Kehoe:** Let Deputy Healy-Rae speak.

**Deputy Dinny McGinley:** Stay quiet Deputy Healy-Rae, you are bought.

**Deputy Jim O’Keeffe:** Deputy Healy-Rae is having a late conversion.

**Deputy Paul Kehoe:** Fair play to Deputy Tom Sheahan, who got a hospital for Kenmare.

**An Ceann Comhairle:** I will allow Deputy Healy-Rae to speak in a moment but first I wish to address something referred to by Deputy Gilmore. Regarding the commencement of the social welfare Bill yesterday, I have taken the unusual step of having the record of the House checked. It is crystal clear that the Minister moved the correct motion, namely, “That the Bill be now read a Second Time.” That is the end of the matter.

**Deputy Emmet Stagg:** The record of the House is wrong if that is what is on it. Has the record been amended?

**An Ceann Comhairle:** In any event, once the Bill was subject to a guillotine motion on the order of business, fixing Second Stage was not required.

**Deputy Emmet Stagg:** Why did the Ceann Comhairle call a vote?

**An Ceann Comhairle:** Please, Deputy Stagg. I have no difficulty in clarifying the position and I accept there was some mild confusion at the commencement of the debate. As a rule, the Chair does not do action replays and I am duty bound to expedite the business of the House in accordance with Standing Orders. I intend to faithfully uphold the rulings of my predecessors in that regard.

**Deputy Eamon Gilmore:** I do not dispute the ruling of the Ceann Comhairle but what happened here yesterday was a Thierry Henry moment. The ball was handled and the rules being applied are the FIFA rules.

**Deputy Michael D. Higgins:** That was a rationalisation, not an explanation.

**Deputy Caoimhghín Ó Caoláin:** The Sinn Féin Deputies object to taking the Order of Business as proposed by the Tánaiste. I wish to correct one point in respect of Deputy Gilmore’s portrayal of the now famous six, who he refers to as strays. If one takes a look at them, there is only one stray among the six and the other five are clearly prodigal sons. All too sadly, they will return to the fold as the need presents.

We have before us a Bill that the Government wants to force through, from Second Stage to Report and Final Stages, by 6.30 p.m. This is a serious Bill with widespread consequences for hundreds of thousands of the most marginalised people across the State. We are being

*11 o’clock* asked to accept the limited opportunity presented to discuss it but also that Deputies must vote on the measures without proper perusal and debate. We have a responsibility to give every Bill a fair hearing and careful scrutiny. I wonder if the powers of the Ceann Comhairle allow him to intervene and make a judgment in the interests of the people and this assembly that what was forced through on the Order of Business

[Deputy Caoimhghín Ó Caoláin.]

yesterday in respect of the ordering of the conduct of debate on this Bill was in contravention of all norms that should apply in this House.

This is a serious Bill, with major consequences for many people. It is a travesty. This Government might as well rule by decree from Government Buildings, such is the contempt it shows this Chamber and the Houses of the Oireachtas. The Ministers for Finance and Social and Family Affairs who are directly responsible are not even in the Chamber as we consider how this Bill will proceed this morning. I and the Sinn Féin Members absolutely object, not only to the ordering but to the absolutely disgraceful intent of this legislation.

**Deputy John Cregan:** The Deputy objects to everything.

**Deputy Caoimhghín Ó Caoláin:** We will oppose it line by line.

**Deputy Jackie Healy-Rae:** I want to tell Deputy Gilmore and Lady Shortall——

**An Ceann Comhairle:** The Deputy is not aligned with a party which raises the issue of his right to speak. He may make a brief intervention.

**Deputy Denis Naughten:** He is the leader of the provisional Fianna Fáil six.

**Deputy Enda Kenny:** On a point of order——

**An Ceann Comhairle:** Would Deputy Healy-Rae resume his seat for a moment.

**Deputy Jimmy Deenihan:** He is entitled to be heard.

**Deputies:** Throw him out.

**An Ceann Comhairle:** Deputy Healy-Rae should resume his seat. So should Deputy Kenny.

**Deputy Emmet Stagg:** Throw the Deputy out so that he will not be here for the vote.

**Deputy Enda Kenny:** On a point of order.

*(Interruptions).*

**An Ceann Comhairle:** Deputy Kenny is making a point of order.

**Deputy Enda Kenny:** My point of order is in the interests of Deputy Healy-Rae. As the Ceann Comhairle knows from his study of history, this party always fought for the right to free speech. I would like to hear Deputy Healy-Rae.

**Deputies:** Hear, hear.

**Deputy Ruairí Quinn:** It is a maiden speech.

**Deputy Jackie Healy-Rae:** I have a very simple message for Deputy Gilmore and Lady Shortall. If they were short of people like myself and Deputy Michael Lowry to make up the numbers in this House they would be damn glad to have us. The trouble is that they——

*(Interruptions).*

**Deputy Ulick Burke:** The Deputy knows his place.

**Deputy Michael D. Higgins:** Was that not a great maiden speech? The Government will be worried.

Question put: "That the proposal for dealing with No. 42, statements on the carbon budget, be agreed to."

The Dáil divided: Tá, 81; Níl, 69.

Tá

Ahern, Bertie.  
 Ahern, Dermot.  
 Ahern, Michael.  
 Ahern, Noel.  
 Andrews, Barry.  
 Andrews, Chris.  
 Ardagh, Seán.  
 Aylward, Bobby.  
 Brady, Áine.  
 Brady, Cyprian.  
 Brady, Johnny.  
 Browne, John.  
 Byrne, Thomas.  
 Calleary, Dara.  
 Carey, Pat.  
 Collins, Niall.  
 Conlon, Margaret.  
 Connick, Seán.  
 Coughlan, Mary.  
 Cregan, John.  
 Cuffe, Ciarán.  
 Cullen, Martin.  
 Curran, John.  
 Dempsey, Noel.  
 Devins, Jimmy.  
 Dooley, Timmy.  
 Fahey, Frank.  
 Finneran, Michael.  
 Fitzpatrick, Michael.  
 Fleming, Seán.  
 Flynn, Beverley.  
 Gogarty, Paul.  
 Gormley, John.  
 Grealish, Noel.  
 Hanafin, Mary.  
 Harney, Mary.  
 Haughey, Seán.  
 Healy-Rae, Jackie.  
 Hoctor, Máire.  
 Kelleher, Billy.  
 Kelly, Peter.

Kenneally, Brendan.  
 Kennedy, Michael.  
 Killeen, Tony.  
 Kitt, Michael P.  
 Kitt, Tom.  
 Lenihan, Brian.  
 Lenihan, Conor.  
 McEllistrim, Thomas.  
 McGrath, Mattie.  
 McGrath, Michael.  
 McGuinness, John.  
 Mansergh, Martin.  
 Martin, Micheál.  
 Moloney, John.  
 Moynihan, Michael.  
 Mulcahy, Michael.  
 Nolan, M.J.  
 Ó Cuív, Éamon.  
 Ó Fearghail, Seán.  
 O'Brien, Darragh.  
 O'Connor, Charlie.  
 O'Dea, Willie.  
 O'Donoghue, John.  
 O'Flynn, Noel.  
 O'Hanlon, Rory.  
 O'Keefe, Batt.  
 O'Keefe, Edward.  
 O'Rourke, Mary.  
 O'Sullivan, Christy.  
 Power, Peter.  
 Power, Seán.  
 Roche, Dick.  
 Ryan, Eamon.  
 Sargent, Trevor.  
 Scanlon, Eamon.  
 Smith, Brendan.  
 Treacy, Noel.  
 Wallace, Mary.  
 White, Mary Alexandra.  
 Woods, Michael.

Níl

Allen, Bernard.  
 Bannon, James.  
 Barrett, Seán.  
 Behan, Joe.  
 Breen, Pat.  
 Bruton, Richard.  
 Burke, Ulick.  
 Burton, Joan.  
 Byrne, Catherine.  
 Carey, Joe.  
 Clune, Deirdre.  
 Connaughton, Paul.  
 Coonan, Noel J.

Costello, Joe.  
 Coveney, Simon.  
 Crawford, Seymour.  
 Creed, Michael.  
 Creighton, Lucinda.  
 D'Arcy, Michael.  
 Deasy, John.  
 Deenihan, Jimmy.  
 Doyle, Andrew.  
 Durkan, Bernard J.  
 English, Damien.  
 Feighan, Frank.  
 Ferris, Martin.



Níl—*continued*

Flanagan, Charles.	O’Keeffe, Jim.
Flanagan, Terence.	O’Mahony, John.
Gilmore, Eamon.	O’Shea, Brian.
Hayes, Brian.	O’Sullivan, Jan.
Hayes, Tom.	O’Sullivan, Maureen.
Higgins, Michael D.	Penrose, Willie.
Hogan, Phil.	Perry, John.
Kehoe, Paul.	Quinn, Ruairí.
Kenny, Enda.	Rabbitte, Pat.
Lynch, Ciarán.	Reilly, James.
Lynch, Kathleen.	Ring, Michael.
McEntee, Shane.	Sheahan, Tom.
McGinley, Dinny.	Sheehan, P.J.
McHugh, Joe.	Sherlock, Seán.
Mitchell, Olivia.	Shortall, Róisín.
Morgan, Arthur.	Stagg, Emmet.
Naughten, Denis.	Stanton, David.
Neville, Dan.	Timmins, Billy.
Ó Caoláin, Caoimhghín.	Tuffy, Joanna.
Ó Snodaigh, Aengus.	Upton, Mary.
O’Donnell, Kieran.	Varadkar, Leo.
O’Dowd, Fergus.	

Tellers: Tá: Deputies Pat Carey and John Cregan; Níl: Deputies Paul Kehoe and Emmet Stagg.

Question declared carried.

**An Ceann Comhairle:** We move on to the Order of Business.

**Deputy Emmet Stagg:** On a point of order, we have just dealt with a time motion limiting speaking times to 15 minutes in each case. If it is a Minister, will the Ceann Comhairle, like yesterday, allow double that time for Ministers despite the order?

**An Ceann Comhairle:** We were over this territory yesterday. I explained in the Chamber that, because of persistent procedural querying in the Chamber, the Minister did not have the opportunity to deliver her Second Stage reading.

**Deputy Emmet Stagg:** That does not change the order.

**An Ceann Comhairle:** For the proper functioning of the House, the Ministers and the other Members must be allowed to have their say in the House. If we have persistent procedural querying on a number of issues——

**Deputy Emmet Stagg:** I am anxious that when we make a time order, the Chair will abide by that order.

**Deputy Billy Kelleher:** Changes are allowed under Standing Order 48.

**Deputy Emmet Stagg:** It is particularly important that the Chair does not decide differently on the Government side and the Opposition side.

**An Ceann Comhairle:** As the Deputy knows, all of these matters are at the discretion of the Chair and I will endeavour to be even-handed about it. I call Deputy Kenny.

**Deputy Enda Kenny:** Have arrangements yet been made for discussion on the Financial Emergency Measures in the Public Interest (No. 2) Bill which is to be debated next week? Is

this to be guillotined through as well or has the Chief Whip made arrangements for full and comprehensive discussion of the Bill next week?

Has the Government considered having the Minister for Justice, Equality and Law Reform call in the Garda Commissioner in respect of threatened industrial action——

**Deputies:** Order in the House.

**Deputy Dermot Ahern:** No one is listening to him anyway.

**An Ceann Comhairle:** We will allow the Members who wish to exit to do so. Silence, please. Deputy Kenny is in possession.

**Deputy Enda Kenny:** I will ask the question again. What are the arrangements for the discussion on the Financial Emergency Measures in the Public Interest (No. 2) Bill, in which there is much interest? Is this to be guillotined through next Tuesday or Wednesday, or have arrangements been made in that regard?

What is the current situation arising from the GRA's decision to ballot its members for industrial action? Nobody wants to see a situation like this. Is the Minister in discussion with the Garda Commissioner and does he intend to meet the GRA? Strict guidelines pertain here. Nobody wants a situation where this is followed through.

**The Tánaiste:** On the ordering of next week's business, it is proposed that discussions will take place on the legislation on Tuesday and Wednesday of next week. On the other matter, although it is outside the remit of the Order of Business, I welcome what has been said by the Members of the Opposition in this regard.

**Deputy Eamon Gilmore:** I am not sure the Tánaiste satisfactorily answered the question she was asked, which concerned the arrangements for the Financial Emergency Measures in the Public Interest (No. 2) Bill next week. It is this Bill that will cut the pay of workers earning less than €600 a week by 5%. According to the schedule that has been circulated for next week, the Government intends to pull the same stunt on that Bill that it is pulling on the Social Welfare and Pensions (No. 2) Bill this week, starting Second Stage on Tuesday and running it for as long as possible, keeping Committee Stage as short as possible and having all the votes on Wednesday.

**Deputy Billy Kelleher:** This is not relevant to the House.

**Deputy Ciarán Lynch:** It is relevant to 330,000 people.

**Deputy Billy Kelleher:** While the Labour Party promises the sun and the stars.

**Deputy Eamon Gilmore:** That procedure is designed to minimise the opportunities for amendments to be proposed to the legislation and to minimise the number of times Government TDs will have to vote on the specific provisions of the Bill. It is clearly concluded on the Government side that it is politically easier to sell a general vote on the Bill with a wrapped up motion that the Bill pass with all amendments acceptable to the Minister than to have Government Deputies voting specifically on each section. Otherwise they would have to vote this week, for example, on the section dealing specifically with the cuts applying to carers and the blind and next week the cuts to the low paid.

These arrangements are designed to provide as much cover as possible to a cowardly Government that wants to rush this through with a guillotine instead of standing over the votes they are casting to make cuts to those who cannot afford them.

**The Tánaiste:** We are talking about the Order of Business for next week. Tuesday and Wednesday are the days being considered for the legislation and if the Whips want to sit later on those nights that could be arranged during the normal discussions they have to prepare business.

**Deputy Joan Burton:** This is a complicated Bill and many who work in the public service are concerned about its vague nature when it comes to pension arrangements. Will the Minister for Finance offer a briefing to Opposition Deputies and has he received the advice of the Attorney General? Reducing the salary and conditions public servants is a complex issue in the context of Irish law.

**An Ceann Comhairle:** The Deputy is anticipating the debate.

**Deputy Joan Burton:** This is very important. This is the first time in the history of the State that the Fianna Fáil Minister for Finance has cut the wages and entitlements of public servants.

**Deputy Brian Lenihan:** We did it in 1933.

**An Ceann Comhairle:** There will be ample opportunity for the Deputy to make these points next week.

**Deputy Joan Burton:** We have no information about the impact of the legal structure under which this is proposed. There is no information and very little time. Will the officials of the Minister's Department provide a briefing to Opposition spokespersons on the genuine complexities of this Bill?

People all over Ireland are worried sick this weekend about their jobs, their pay, their conditions and the pensions. Fianna Fáil does not agree but that is a fact. There is nothing wrong in having this explained to Opposition spokespeople so that in the limited time available for this Bill we can engage in genuine discussion. That is a democratic proposal and if the Minister has any interest in building consensus he will concur with this reasonable request from the Opposition.

**An Ceann Comhairle:** All of those points can be made on Second Stage of the Bill next week.

**The Tánaiste:** The Minister will provide a briefing to the Members opposite. I have never seen him not facilitating his colleagues in that way.

**Deputy Bernard Allen:** In view of the enormous damage done to businesses and households in Cork city and county, does the Government intend to set up a public inquiry into the issues and events before and during the flooding of the city? A public inquiry is needed to get at the truth and I support the call by my constituency colleague, the Minister of State, Deputy Kelleher.

**An Ceann Comhairle:** That matter could be considered for the Adjournment next week.

**Deputy Seymour Crawford:** In light of the new health policy announced by Deputy Healy-Rae whereby the Government is now building small hospitals, when will the Minister introduce the health information Bill so we can find out the truth about what is happening in the health service? Those of us having our services removed feel very aggrieved that Deputy Healy-Rae has such power.

**The Tánaiste:** That legislation will be introduced next year.

**Deputy Joe Behan:** I have contacted the Ceann Comhairle's office on three occasions in the past four weeks asking for time to speak on very important issues — the pre-budget document issued by the Department of Finance, the Adoption Bill and this morning I contacted the Ceann Comhairle's office asking for time to speak on the Social Welfare and Pensions (No. 2) Bill. On each occasion the Ceann Comhairle has not been a position to facilitate me.

I wish to ask the Tánaiste and the Whips of all parties if there is any possibility that those who are not aligned to any party could occasionally express their views and the opinions of those they represent when it comes to issues of national importance. It is not too much to ask. We have a constitutional right to be heard in this chamber. I do not make a fuss about this every time. I have been courteous to the Ceann Comhairle and I will continue to be.

Deputy O'Sullivan, Deputy Finian McGrath and I have a right to speak on these issues and I am now asking for the opportunity to speak on the Social Welfare and Pensions (No. 2) Bill before Second Stage finishes and to speak on the legislation that will be dealt with next week.

**Deputy Emmet Stagg:** I would be happy to accommodate Deputy Behan or any other independent Member who does not get speaking time. When the Government guillotines a Bill, however, it is difficult. Only three members of the Labour Party got in on the Social Welfare and Pensions (No. 2) Bill, and that was done by sharing time. There was no time to give to people, that is the difficulty we have.

**An Ceann Comhairle:** We are anxious to see Deputies accommodated. We will look at this.

**Deputy Bernard J. Durkan:** What progress has been made with the preparation of the landlord and tenant Bill? Publication is expected but we were previously told work was ongoing. What progress been made?

The Multi-Unit Developments Bill 2009 appears to have been parked. It was the subject of discussions between two or three Departments and the Attorney General. To what extent have the discussions taken place and where does the Bill stand?

**The Tánaiste:** The first Bill will be introduced next year while the other Bill is still before the Seanad.

**Deputy Bernard J. Durkan:** That was not the question. I asked if the issues being discussed by the Department and the Attorney General had been resolved.

**An Ceann Comhairle:** It seems to me that is a detail——

**Deputy Bernard J. Durkan:** It is a very important Bill to many people.

**The Tánaiste:** I will revert to the Deputy.

**Deputy Michael D. Higgins:** What is the present position regarding the Competition Authority (amendment) Bill which is one of the Bills that has been promised and in particular the amendment of section 4? Related to this in another sense in terms of ordering business, I ask for a timescale for the legislation promised in the social partnership agreement, for example, the trade union recognition Bill. I am asking about the timescale for the legislation that was agreed with the social partners. It is a list of Bills. It is a part of the agreement. I am asking specifically because we will find ourselves either in the courts or whatever, as different bodies negotiate with Government regarding the amendment to section 4 of the Competition Authority legislation. I have asked for this on numerous occasions but at this stage we should be in a position to know precise information on that legislation and when it will come before the House. We need to know the status of the other Bills. Are they now dead or does the Govern-

[Deputy Michael D. Higgins.]

ment perhaps intend as a gesture to bring forward all this legislation? This is very basic legislation, some of it arising in the context of the Lisbon treaty. When will we have this legislation?

**The Tánaiste:** It is my intention to bring the competition authority legislation to the House for consideration at the beginning of next year. It is my intention and that of the Minister of State to proceed with the agreed Bills arising from Towards 2016. I know the Deputy has a particular interest in one or two items on that agenda and it is my intention to proceed with them next year.

**Deputy James Reilly:** Can the House be assured that the advice of the Attorney General has been obtained with regard to the legality of section 11 of the Social Welfare and Pensions (No. 2) Bill 2009, and with respect to section 29 of the contract held by participating dentists and the Minister for Social and Family Affairs, which requires that three months' written notice of termination be issued. We do not want to find ourselves in the same situation with the dentists as we did with the Minister for Health and Children paying out legal fees of nearly €70 million in compensation to pharmacists.

**The Tánaiste:** The Attorney General always considers legislation brought before Cabinet. He has given his advice.

**Deputy Joan Burton:** It is very thin in this case.

**Deputy James Reilly:** Will the Government honour the three months' written notice as per the contract?

**An Ceann Comhairle:** That is really a matter for the line Minister.

**Deputy James Reilly:** It is very important.

**Deputy Joan Burton:** That is the point about rushed legislation; there is no opportunity to consider it.

**An Ceann Comhairle:** It is a matter for the line Department.

**Deputy Eamon Gilmore:** The Minister for the Environment, Heritage and Local Government, who is visiting the House today, has promised he would introduce legislation to put a cap on the amount of waste which could be incinerated in an incinerator. As a result he believes he will be able to stop the planned incinerator in Ringsend. Is the environment (miscellaneous provisions) Bill which is listed for publication the Bill in which the cap on the amount of waste to be incinerated will be included? When will that Bill be published and will the incinerator be built before it is published?

**Deputy Brian Hayes:** Watch this space. No advice from the Minister over there.

**The Tánaiste:** Arising from reports on waste management some redrafting is required on the environment (miscellaneous provisions) Bill. It will be published in mid-January.

**Deputy Andrew Doyle:** As the House is graced with the presence of the Minister for the Environment, Heritage and Local Government, may I ask if he plans to introduce legislation to allow for a shared equity purchase scheme for homeowners, either new or existing, notwithstanding the fact that the Government rejected a Fine Gael proposal in the NAMA Bill for a home protection bond which would have allowed this flexibility?

**An Ceann Comhairle:** Is there promised legislation in this area?

**Deputy Andrew Doyle:** I do not see it on the list and this is the reason for my question.

**An Ceann Comhairle:** We are dealing with the Order of Business and promised legislation.

**Deputy Andrew Doyle:** I understand that but it is not too often the House is graced with the presence of the Minister for the Environment, Heritage and Local Government for the Order of Business.

**Deputy Bernard J. Durkan:** The Minister is thinking about it at the moment. He is deep in thought.

**Deputy Andrew Doyle:** The Minister is not even listening.

*(Interruptions).*

**The Tánaiste:** Those issues are matters for the Minister of State with responsibility for housing and I will ask him to revert to the Deputy.

**Deputy Jan O'Sullivan:** Ceann Comhairle, I am certain I had my hand up to speak.

**An Ceann Comhairle:** My apologies, Deputy.

**Deputy Jan O'Sullivan:** The Ceann Comhairle seems to have a blind spot about this bench.

As the only Labour Party speaker with any time remaining which is three minutes, I would gladly give two minutes to Deputy Joe Behan. He is one of the very few really Independent voices in the House that cannot be bought by the price of a hospital which has already been announced by the Minister for Health and Children.

The Tánaiste may be able to assist me. I have been trying to find the anti-poverty strategy in this budget. Since I came into this House all budgets have been poverty-proofed. Last year's Budget Statement contained an annexe B which showed the effect of the budget on the poor and on poverty. I cannot find this information anywhere in the documentation. The Minister for Finance stated that he would be helpful to the Opposition so maybe he could assist me and tell where it is or do the poor just not matter any more to this Government?

**An Ceann Comhairle:** The Deputy will have an opportunity to make those points when speaking on the Bill.

**Deputy Jan O'Sullivan:** We have always had it. I think it is even in legislation since Proinsias de Rossa was Minister, so far as I know.

**An Ceann Comhairle:** We are talking about promised legislation on the Order of Business. This is not promised legislation.

**Deputy Jan O'Sullivan:** How can we prepare for our contributions to the social welfare Bill if the budget document does not contain the information we need to protect the poor.

**An Ceann Comhairle:** The Deputy should raise that issue during the debate on the Bill when she makes her contribution.

**Deputy Jan O'Sullivan:** It is obvious the Government is not interested in protecting the poor any more.

**An Ceann Comhairle:** The Deputy will have ample opportunity to make those cogent points.

**Deputy Jan O'Sullivan:** I will not have ample opportunity as I have only one minute's speaking time left. Where is the documentation we were given every year since I came into this House?

**An Ceann Comhairle:** I will come back to the Deputy. I call Deputy Doyle.

**Deputy Bernard J. Durkan:** The Government wants to make everyone poorer.

**Deputy Eamon Gilmore:** Deputy O'Sullivan is absolutely right. There has always been a poverty-proofing of the budget. This used to be done by the Combat Poverty Agency which the Government abolished last year and we were told it would be done instead by the Department of Social and Family Affairs. Has this document been laid before the House? It is a document related to the budget. Deputy O'Sullivan is correct that it is a statutory obligation—

**Deputy Joan Burton:** It is a standard feature of all budgets.

**Deputy Eamon Gilmore:** —to have the budget assessed—

**Deputy Joan Burton:** Poverty-proofed.

**Deputy Eamon Gilmore:** —to see what impact it has on poor people. Does this House pay any attention to the needs of poor people any more?

**An Ceann Comhairle:** It is not a statutory obligation. My understanding is the Minister simply circulates it.

**Deputy Eamon Gilmore:** It has not been circulated.

**Deputy Joan Burton:** It has not been circulated.

**An Ceann Comhairle:** I do not know the answer to that question.

**Deputy Eamon Gilmore:** I can tell the Ceann Comhairle it has not been circulated. The social welfare Bill is being guillotined this evening but the document on the impact of the budgetary measures on poor people seems to me to be a document which the House needs to have before the debate on the social welfare Bill concludes. As the Ceann Comhairle has acknowledged, it has not been circulated. Where is it; when will we have it? Has it been laid before the House or will it be laid before the House? Is it the case, as Deputy O'Sullivan has rightly identified, that the Government has not given a second thought to poor people in this country when preparing this budget?

**An Ceann Comhairle:** Deputy O'Sullivan is due to speak on the Bill.

**Deputy Eamon Gilmore:** Where is the document?

**An Ceann Comhairle:** All those points can be raised at that stage.

**Deputy Eamon Gilmore:** Where is the document?

**Deputy Michael D. Higgins:** On a point of order, circulation of a document is a matter for the Ceann Comhairle; either it is to be placed in the Oireachtas Library or it is not. If the Ceann Comhairle wants to depart from that practice I suggest he would be creating a very

strange precedent. It has always been the case that where documents are not delivered along with the major legislation, they are made available in the Oireachtas Library, even supporting documents. If it is the Government's intention to depart from that norm, let us hear it from them.

**An Ceann Comhairle:** The Deputy will be able to make those points when the debate resumes.

**Deputy Michael D. Higgins:** No, that it not my intention. Frankly and between ourselves, I know the distinction between reading a document and speaking in the House. I have no difficulty in either direction. If it is to be in the Oireachtas Library, is it circulated? Will it be circulated? Is it being dropped? We just need an answer.

**Deputy Joan Burton:** The Minister is there.

**Deputy Jan O'Sullivan:** We will deal with the social welfare Bill this evening without knowing the impact on the poor.

**Deputy Michael D. Higgins:** I want to know if we will see this document.

**An Ceann Comhairle:** The Deputy can raise these points in his contribution and the Minister will respond.

**Deputy Emmet Stagg:** We will not have any time because the Government is guillotining the debate.

**Deputy Joan Burton:** There is no time.

**An Ceann Comhairle:** Deputy, if we allow the debate on the Bill to get under way as quickly as possible after the statements, all these points can be addressed then.

**Deputy Eamon Gilmore:** This is very simple. There has been a requirement and it is the custom year in, year out, that when the Government draws up the budget there is examination of the impact of the budgetary measures on poor people. This examination used to be done by the Combat Poverty Agency, which no longer exists, and is now supposed to be done by the Department of Social and Family Affairs. As Deputy O'Sullivan pointed out, in previous years the document was always circulated with the budgetary information. The budgetary documents provided an assessment which indicated that various measures had been examined and set out their impact on the poor. This document has not been circulated and what the Labour Party wants to establish before we proceed with the rest of the debate on the social welfare Bill is where is the document. Alternatively, is it the case that the Government has introduced a budget which impacts on poor people without even assessing this impact? Is that the position? Where is the document? We want it.

**An Tánaiste:** Níl seo in ord ar chor ar bith. Tá sé 11.30 a.m. anois agus tá go leor leor ama caite againn air.

**Deputy Michael D. Higgins:** Is cuma faoi sin. Tabhair freagra ar an cheist — an bhfuil an Rialtas chun é a fhoilsiú nó nach bhfuil? Trí Ghaeilge nó trí Bhearla.

**An Tánaiste:** Níl muid ábalta leanúint ar aghaidh. Chaith muid go leor leor ama air seo.

**Deputy Eamon Gilmore:** Mó náire ar an Tánaiste. Tá seo uafásach. Bhí an Tánaiste ina hAire Gnóthaí Sóisialacha agus Teaghlaigh í féin.



**An Tánaiste:** Bhí.

**Deputy Éamon Gilmore:** Ba cheart go mbeadh a fhios aici go gcuirfí caipéis mar seo os comhair na Dála

**An Tánaiste:** Ní raibh an doiciméad ann i m'am.

**Deputy Éamon Gilmore:** Ba cheart go gcuirfí an chaipéis seo os comhair na Dála. Ní sí ar fáil

**An Tánaiste:** Ní raibh sí ann.

**Deputy Michael D. Higgins:** Foilsigh an chaipéis, foilsigh í. Tá sé go huafásach nach bhfuil sí chun bheith foilsithe.

**An Tánaiste:** Ní raibh an doiciméad ann ar chor ar bith i m'am.

**Deputy Michael D. Higgins:** Bhí sí ann, bhí sí ar fáil sa leabharlann.

**The Tánaiste:** We should have more respect for the House than to insinuate——

**Deputy Enda Kenny:** The Tánaiste should answer the Deputy's question.

**Deputy Michael D. Higgins:** The Government should publish the document.

**Deputy Eamon Gilmore:** If these were measures that were impacting on well-heeled people with many connections or on banks or professionals with professional bodies and so forth, the matter would not be passed over in this manner. These measures are impacting on people who are poor and an assessment was supposed to have been done on the impact of the budget on the poor. I have some straightforward questions. Has the assessment been done and is there a document? If so, where is the document and will it be laid before the House today? The debate on the social welfare Bill finishes today.

**An Ceann Comhairle:** Let us tease out these matters during the Second Stage debate.

**Deputy Eamon Gilmore:** The Government has insisted on guillotining the debate on the social welfare Bill, which must conclude this evening. That is the Government's choice, not the choice of the Labour Party. There is a requirement to have the impact of the budgetary measures on poor people laid before the House. Where is the document? Did the Government do an assessment of the impact of the budget on poor people and, if so, when will it be laid before the House?

**An Ceann Comhairle:** Committee and Remaining Stages will be taken after Second Stage and all these points can be made then.

**Deputy Eamon Gilmore:** The debate will be guillotined.

**An Ceann Comhairle:** We are wasting time.

**Deputy Eamon Gilmore:** Before Deputies contribute to the debate, we want to know where is the document. Did the Government do an assessment? It is becoming patently clear that the silent Ministers on the front bench, including the Minister for Finance who introduced the budget — the silver spoon wing of the Government — did not examine its impact on poor people.

**Deputy Brian Lenihan:** There is no need for begrudgery. Of course the Government examined the issue.

**Deputy Eamon Gilmore:** Where is the document?

**Deputy Emmet Stagg:** Was it so bad the Government kept it to itself?

**Deputy Eamon Gilmore:** I have two questions which are in order. Is there a document showing the assessment of the impact of the budget on poor people? If so, will it be laid before the House. I invite the Tánaiste to reply.

**The Tánaiste:** It is 11.35 a.m.

**Deputy Michael D. Higgins:** We know what time it is; we want the Tánaiste to answer the question.

**The Tánaiste:** By failing to get through the Order of Business, we have lost 45 minutes of the time provided to debate the Bill. I will ask the Minister for Social and Family Affairs to revert to the Deputy on the matter when I have an opportunity to leave the House.

**Deputy Joan Burton:** The Minister for Finance, who is seated next to the Tánaiste, should answer the question.

**An Ceann Comhairle:** We must move on.

**The Tánaiste:** The budget has been published.

**Deputy Eamon Gilmore:** The Government did not give the poor a second thought.

**Deputy James Bannon:** As the national monuments Bill seems to be a dead duck or wilting frog, when will the national cultural institutions Bill be published? The Minister for the Environment, Heritage and Local Government appears to be unaware that heritage is part of his portfolio. He would sooner be out in the countryside tagging frogs than introducing legislation.

**The Tánaiste:** The Bill will be published next year.

**Deputy Joan Burton:** Proposed legislation, the local government (Dublin mayor) Bill, is to provide for an election in Dublin next year. The election of a Dublin mayor will cost a great deal of money at a time when the country does not have any. Payments to widows are being cut yet the Green Party proposes a vanity project that will cost money.

**An Ceann Comhairle:** The Deputy can make these points during the debate on the social welfare Bill.

**Deputy Joan Burton:** The Green Party will get its answer should the election proceed. Widows should not be having their pension cut to pay for a vanity project which the country cannot afford. Will the Bill and the election of a Dublin mayor proceed and, if so, what is the timeframe?

**Deputy John Gormley:** As I indicated yesterday, it is proceeding.

**Deputy Joan Burton:** In that case, we will have another elected office costing €500,000. Has the Minister lost his reason entirely?

**An Ceann Comhairle:** The Deputy can make these points in the debate.

**Deputy Joan Burton:** Widows are having their pensions cut to pay for——

**An Ceann Comhairle:** I ask the Deputy to resume her seat. The Order of Business has concluded.

**Deputy Joan Burton:** It is crazy.

### **Carbon Budget: Statements.**

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** It is a privilege to present to the House this, the third annual carbon budget. Since this process commenced two years ago, the carbon budget has continued to evolve and climate change is now very much at the heart of the Government's budgetary policy and decision making.

This carbon budget comes at a crucial time not only for Ireland but for humanity in terms of our efforts to tackle climate change. The next seven days will be a make or break period as the nations of the world gather in Copenhagen in an effort to reach a political deal on climate change, one which we all hope will lead to an early, legally binding international treaty. The science demands action, the economics support it and future generations depend on it.

We must strive to address one of humanity's greatest challenges in limiting and adapting to climate change. Failure to do so could have catastrophic consequences. A global deal on climate change is not only necessary for other countries, it is also vital for Ireland. At home we have seen the loss and suffering scores of families endured during the recent flooding. I have seen this at first hand. While we must not infer too much from once off events, these floods are in line with the scientific predictions of the impacts of climate change in Ireland. The clear lesson from this is that if we do not prepare properly for the climate change impacts that are already occurring and will intensify over the next number of decades, the long-term costs to the Exchequer and society in general will be immense.

To the scores of families who have been inundated with flood waters and the huge physical and emotional toll that comes with this, we have offered urgent assistance in the form of €70 million for flood relief and humanitarian assistance, as provided in budget 2010. We must also learn hard lessons from what has taken place. The questionable nature of some development decisions in the past could not have been more clearly demonstrated. We must stop putting residential developments in flood plains and ensure that a climate change impact assessment is taken into consideration in all planning decision making. This will be done through my new planning Bill.

It is also a time of great economic challenge and in budget 2010 the Government has faced up to the significant challenges we face as a country and outlined our strategy for addressing the fiscal deficit and restoring stability and growth to the economy. The Government took some tough decisions and made some difficult choices but did so in the interests of the entire country, its citizens and their long-term future. The challenges of climate change and of moving to a low carbon society are equal to that of economic recovery. Further, they are intrinsically linked to our future economic well-being. Reducing our emissions will involve difficult choices and difficult decisions, but the benefits of a low carbon, competitive economy and society will greatly outweigh the costs.

We will not achieve this aim overnight but the decisions we make now on emission reductions will have benefits for decades to come. As the action group on green enterprise reported recently, moving to a low carbon society will create upwards of 80,000 jobs during the coming decade. The report advocates the establishment of a green IFSC, international financial services centre, and I met the promoters of this concept last Friday. The Green Party in Government

will move on this measure. We will also act to introduce a green procurement system for the public sector, which will drive this sector.

This year we are laying two of the cornerstones of Ireland's efforts on climate change. They will shape and drive the national effort in the years ahead. The first is the carbon levy, announced on Wednesday by the Minister for Finance. Today, I am publishing details of the second cornerstone, a framework for the climate change Bill 2010, which outlines the key provisions to be included in the new legislation.

No tax has been subjected to the level of consideration and economic analysis as the carbon levy. It is finally here even if it is long overdue, as I stated in the House on Wednesday. It is something my colleagues and I in Government have been pushing for many years in this House. As a principle, it is broadly accepted by most economists and analysts as the most cost efficient way to reduce emissions and its introduction is a landmark step in integrating climate change into the annual fiscal budgetary process.

The rationale behind the carbon levy is to change the relative price of fuels based on CO<sub>2</sub> emissions to change consumption patterns, encourage fuel efficiency and to lead to an improvement in environment quality. The benefits of such a tax have been outlined in the report of the Commission on Taxation. In my contribution to the budget debate yesterday I emphasised the importance of putting a price on carbon which will raise revenue that can be channelled into making our economy and society more energy efficient. The introduction of the carbon levy is central to our continued efforts to move towards a low-carbon economy. It is part of a gradual and expanding process. In previous budgets we took steps to tailor our vehicle registrations tax and motor tax to provide people with the choice to help the environment and to take greater account of CO<sub>2</sub> emissions.

The carbon levy will have an impact on the various domestic fuels used in Ireland. Yesterday, the Minister for Finance provided details of the phasing in of the tax in various fuel categories. The yield from carbon levy for all energy products is expected to be €250 million in 2010 and €330 million in a full year. We will channel this money to make the country more energy efficient and to boost the economy and employment.

We will use €130 million to retrofit homes throughout the country. My colleague, the Minister for Communications, Energy and Natural Resources, Deputy Eamon Ryan, will launch a national retrofit programme in 2010 with a budget of €90 million, of which €36 million will be ring-fenced for retrofitting households in energy poverty. This represents more than double the allocation for the same measures in 2009 and a seven-fold increase on the 2008 allocation. My Department will launch a €40 million retrofit programme for social housing, which I will outline in detail later. This money will have the effect of greatly improving comfort levels, protecting the health of the occupants as well as reducing the carbon footprint of thousands of households throughout the country. It will also create and sustain in excess of 6,000 jobs in the construction sector. As a result of the revenue from the carbon levy the Government has been able to provide a PRSI exemption of €36 million for employers who take unemployed people off the dole. It has also enabled us to reduce our VAT levels.

I refer to the effects on emissions. The carbon levy will reduce emissions in the non-traded sectors of the economy by 750,000 tonnes between now and the end of 2012. This will result in an average reduction of 150,000 tonnes per annum between 2008 and 2012 or 250,000 tonnes in a full year.

The transport sector will be impacted more than any other sector due to the importance of the relative price difference between Ireland and the UK. The Government has published a new transport policy, Smarter Travel — A Sustainable Transport Future. It sets out a clear path to significantly reducing emissions in the transport sector by 2020. Smarter Travel will

[Deputy John Gormley.]

promote a more sustainable transport system that encourages more active modes of travel, improving local towns and community space, reducing congestion and delivering significant health benefits.

Similarly, the renewed programme for Government emphasises the importance of investment in public transport and by incentivising behavioural change it will deliver a more sustainable transport future for everyone. This emphasis has been seen very clearly in this year's budget. Despite the very difficult financial backdrop, key public transport services are being continued to ensure continued enhancement of rail services, especially to support commuters and to give increased priority to buses in Dublin and other cities. The completion dates and appropriate road standards of the remaining 94 road projects at the design stage or at an earlier level of development will be reviewed in light of the economic circumstances, falling road usage and our climate change objectives.

Changes in other sectors will be more gradual. Investment in more efficient capital stock will be strongly incentivised by carbon taxes. However, these changes will take place over a longer timeframe than one year. It will take time for a carbon levy to have its full impact on behaviour but we now have a very positive starting point.

The second pillar of our ambitious approach to climate change is the proposed over-arching climate change Bill which I will introduce in 2010. I have circulated a document entitled A Framework for the Climate Change Bill 2010, which outlines the key provisions on which the heads of the Bill will be based. I emphasise that work on the heads of the Bill continues apace and I hope to be in a position to publish the heads before the end of the first quarter in 2010.

This legislation marks a key milestone in the battle against climate change and the legislative proposals contained in the document will shape and drive our efforts in tackling this core national priority. These provisions are a mark of our intent and ambition in this area and include enshrining for the first time in national primary legislation key policies and principles which will guide and drive our climate change agenda in the future.

For the first time it will set ambitious statutory targets including a 3% average annual reduction in net greenhouse gas emissions as outlined in the programme for Government, but to be extended to 2020 and an 80% reduction of 1990 levels of greenhouse gas emissions by 2050. Enabling provisions will be included to allow these targets to be amended following the advice of the Joint Committee on Climate Change and Energy Security and in line with the evolution of scientific knowledge and international commitments. The legislation will place the national climate change strategy on a statutory basis, on the basis of a five year cycle with the first two strategies due to run from 2011 to 2015 and 2016 to 2020. It will place the carbon budget process on a statutory basis, based on the multi-annual approach as outlined in the national climate change strategy. It will also place the national climate change adaptation strategy on a statutory basis following its publication next year. It will establish a high level group of experts under a climate change committee which will be supported by a new office of climate change to be located in the EPA and it will develop a system of monitoring and reporting which will impose statutory obligations on Departments and public bodies.

This legislation will be the cornerstone of our efforts to meet ever more demanding national and international obligations post the Kyoto Agreement. Analysis of the latest greenhouse gas emissions data which has now been produced by the Environmental Protection Agency and developments in other relevant areas relating to the carbon budget are set out for Deputies in an appendix to this statement. I have also circulated tables showing the key measures introduced by the Government since 2007 and an updated table setting out the trend in greenhouse gas emissions based on provisional estimates for 2008.

The colder winter of 2008 led to a rise of 8.7% in emissions in the residential sector from 2007. While gross emissions fell slightly, the figures show that the deceleration of emissions due to contraction of the economy may not be moving as quickly as had been anticipated. We must bear in mind that 2008 is the first year of the Kyoto Agreement period and we still expect this deceleration to continue until 2010. Any such trend serves to underpin and underline the need to intensify our response to dealing with our emissions and to achieve the reductions so desperately needed. It also underscores the importance of moving ahead with the two headline initiatives represented by the carbon levy and the climate change Bill.

All social housing will be required to meet more exacting standards of energy performance and it is important to ensure that the tradition of high quality construction standards in public housing continues and that new social housing construction is at the forefront of our efforts to move to the next level of energy efficiency standards. This year, I approved eight Towards Carbon Neutral demonstration projects, which will go beyond even the proposed 2010 standards, delivering a minimum building energy rating, BER, of A2. A total of €20 million is being set aside over the next two years to support projects in this area and I will seek to ensure that the learning derived from those projects will be mainstreamed into the social housing construction programme generally.

The scale of the existing public housing stock, at approximately 145,000 units, and the varying levels of performance within that overall stock, demand that we seek to deliver significant energy efficiency improvements here also. In recent years, we have made considerable strides in this area through the impact of significant remedial works and regeneration programmes.

I propose to expand our involvement in this area and therefore I have earmarked €20 million within the 2009 social housing investment programme to commence work on an energy efficiency retrofitting programme for local authority housing stock, generally seeking to achieve C1 building energy rating. The importance I attach to activities in this area is underlined by the fact that funding for energy efficiency measures in the public housing stock will increase significantly next year, with more than €40 million being provided. In parallel, the Department is developing a ten-year strategy with the objective of achieving the full retrofitting of social housing stock. That strategy is to be completed in the first half of next year and will provide a road map for the delivery of the programme over the next decade.

The retrofitting strategy will also be informed by a comprehensive review of the condition of public housing stock. This national house condition survey is designed to examine, among other issues, the age and condition of the dwelling, its energy rating and the type and extent of central heating, insulation and other efficiency characteristics. The survey is being carried out in a number of phases. Phase one, involving a review of the relevant information currently held by local authorities, is already complete and the planning for subsequent phases is under way with a view to commencing phase two early next year.

I regret that I do not have more time as there are many initiatives I wished to outline. With the carbon levy and the climate change Bill we are setting out our stall in terms of our ambition as a nation to combat climate change. We are sending out a message to people here and beyond our shores of our intent, determination, and sense of purpose in tackling climate change. It is a message I am proud to take to Copenhagen.

**Deputy Phil Hogan:** I wish to share time with Deputies Coveney and Barrett.

**Acting Chairman (Deputy Johnny Brady):** Five minutes each. Is that agreed? Agreed.

**Deputy Phil Hogan:** I wish the Minister for the Environment, Heritage and Local Government, Deputy Gormley, and the Government delegation of all parties well in Copenhagen. I

[Deputy Phil Hogan.]

hope the expectations that have been rather managed, a bit like the budget, will be more successful in Copenhagen than they have been in the budget.

I wish to dwell on one aspect in the time allowed. Fine Gael supports a low carbon society but we believe we should be in a position to make greater strides in our objectives than has been the case to date. The 3% reduction in greenhouse gas emissions that was part of the programme for Government in 2007 is clearly not being met and the target has now been extended to 2020 to cover some of the blushes on those matters. Our party has published a radical document that would help the Minister to achieve those objectives if he could get the Government's support for doing so.

The climate change agenda should be an opportunity for the country. In addition to meeting our greenhouse gas emissions targets, it should provide an economic and employment stimulus. The Fine Gael document, *New Era*, which the Minister has read, is a clear set of proposals that would assist him to provide jobs and reduce greenhouse gas emissions. I regret that the budget tinkers around the edges of climate change matters. I welcome the retrofit scheme but I do not see any major imprimatur for green technology proposals that have been outlined in our document. A low carbon economy is an opportunity for a competitive economy. Those countries that can make themselves more environmentally sustainable will have the edge over others.

The Government's record on transforming the economy into a low carbon economy has not had its objectives met with any degree of success to date. Recent reductions in emission have only been achieved because of a reduction in our national output. I note that some of the Minister's spokespersons and statements have been indicating that to reduce the national herd would make a major contribution to reducing our agricultural emissions. I do not see any similar impetus being made in terms of implementing Deputy Coveney's proposal on electric vehicles. The Minister did not refer to it in his speech.

**Deputy John Gormley:** I did not have time. The Minister for Communications, Energy and Natural Resources, Deputy Ryan, has outlined a major initiative in that regard.

**Deputy Phil Hogan:** We would like to hear more about it. The Fine Gael stimulus plan would make a significant difference in terms of reducing this country's greenhouse gas output. As a response to the environmental and economic challenges we face, we have published a plan to transform the economy into a modern, sustainable and clean one. Our *New Era* strategy is the first major credible step in transforming the economy into a low carbon one and creating 100,000 jobs. The €11 billion investment programme off-balance sheet will see significant State intervention to rapidly provide more sustainable energy and transport sectors while bringing telecommunications into the 21st century. That radical transformation will dramatically reduce emissions from the energy and transport sectors.

Appendix 2 of the carbon budget statement makes clear that the Minister has ignored some of the proposals suggested to him on the matter. We import €6 billion worth of fossil fuels every year to feed our cars, homes and electricity grid. That is neither economically nor environmentally sustainable. The €6 billion of imported fossil fuel also represents 64.7% of all emissions in this country created from fossil fuel combustion. Some radical suggestions have been put forward by this party to assist him in meeting our national objectives. The Minister is setting up committees and he is one step away from making major decisions, yet he is tinkering around the edges of achieving our national objectives to reduce greenhouse gas emissions. Actions speak louder than words. The all-party committee chaired by my colleague,

Deputy Barrett, has many suggestions to make to the Minister to assist him in meeting those objectives much more quickly than he has to date.

**Deputy Simon Coveney:** I welcome the opportunity to speak on this issue. Even in the heat of the budget debate it makes sense to have set time aside to talk about the carbon budget, which is a welcome new element to the budget debate.

The debate we had on Thursday evening on the introduction of a carbon tax or carbon levy was an embarrassment to this House. It turned into a Punch and Judy show and a slugging match, which I was embarrassed about. It is unfortunate that when we are introducing something as significant as a new carbon levy, a carbon tax for the first time, that we had such a debate.

It is also unfortunate that when my party has genuine concerns about the way in which this new tax is being implemented that those concerns were dismissed on the supposed understanding that Fine Gael wants to play politics with the issue or does not understand it. I found that very frustrating also.

We have published our views on climate change. As I indicated on Wednesday night, we proposed a higher carbon value, but we had also proposed that there would be certain exemptions for good reason considering the current state of the economy. We now have a really unacceptable dichotomy, whereby we will charge consumers a carbon charge for using fossil fuels, for good reason. We are continuing not only to allow energy generators to use carbon-based fuels with no charge to them, but on top of that we are requiring them to charge consumers for something that is costing them nothing and attaching a carbon element to electricity charges. That is the major objection I have to our carbon charging strategy.

Consumers are paying on the double and large energy generating companies are making windfall profits on the back of that to the tune of €220 million last year with the exception of the ESB which gave some money back in a different way. That must change. We have a pool of money here. If there were a tax on windfall profits made on the back of consumers, we could use it as a carbon fund to do all sorts of other things on top of what the Minister proposes. The Minister seems to refuse to consider that and dismisses the issue as if it is not a valid one. I cannot understand that, given he is someone who has a genuine concern in regard to carbon management.

I refer to forestry. The one thing on which anyone who is concerned about carbon management, carbon reduction and creating carbon sinks must agree is that we must take a more aggressive and proactive approach to planting trees, or afforestation. This issue was painted in the budget in a way that suggested the Government will allocate an extra €121 million for afforestation next year. This year we spent €119 million. The Government said that next year, we will plant 7,000 hectares when we have not even hit 5,000 this year. I do not see how the sums add up.

Planting trees not only makes sense for the environment but it is also very labour intensive. I appeal to the Minister to try to increase the priority of forestry. In the national climate change strategy, to which we are supposed to be operating, there is an aspiration that 15,000 hectares of trees will be planted annually. The programme for Government states 10,000 hectares. Next year we aspire to planting 7,000 hectares but the sums do not add up.

I appeal to the Minister to consider the two issues I raise, in particular the windfall profits tax. Consumers are getting hit on the double. A pool of money which we could use as a carbon fund is being pocketed by energy generators on a windfall profits basis. That is no longer acceptable, in particular in the context of introducing a new carbon charge for fossil fuels.



**Deputy Seán Barrett:** My understanding, and that of the public, was that all moneys collected from the carbon levy would be used for the purpose of reducing CO<sub>2</sub> emissions. The Minister only mentions €130 million to retrofit homes. I got the impression from the Minister's Budget Statement that this fund has already been raided by the Department of Finance. He stated clearly that some of the money will be used for purposes other than for what this carbon levy is supposed to be for. If we are to sell this principle to the public, I would like an assurance that this levy and the moneys from it will be ring-fenced and that a clear statement will be made each year on how much and exactly where it was spent and that at the end of the year, when presenting the carbon budget for the following year, the Minister will report how exactly the money was spent in the previous year.

The Department of Finance should not be allowed to touch this money if it is called a carbon levy. My committee and I will support any effort the Minister requires to ensure this does not happen. I strongly suggest that there is a provision in his climate change Bill stating that all moneys raised from a carbon levy will be used for that purpose and, therefore, it will have a statutory basis. Let us get off on the right foot.

Our committee has endeavoured to approach this topic on an all-party basis, which has worked to date. I hope that will continue. I am pleased the Minister is proceeding with the climate change Bill. As he knows, we produced the heads of a Bill. I hope the heads of his Bill will be debated at our committee and that together, we may be able to produce something which will achieve all-party support.

Another matter about which I am concerned is all this smart this and smart that, including smart transport. The reality is the Department of Transport has done absolutely nothing to show any progress on the way public transport is provided. We do not have one bus or one local authority vehicle displaying a sign stating that it is run by renewable energy. We have an infrastructural deficit in terms of our public transport.

In regard to the capital programme, will somebody realise the potential of upgrading our grid as a matter of urgency? We should stop fooling around trying to decide what to do on this issue. As the Minister well knows, building a grid is vital infrastructure to enable us to transform the means by which public transport and everything else could be run.

I refer to the interconnection to the super grid that will be developed in Europe and through which Ireland could avail of an export market. If we do not prepare the ground now, we will not be in a position to gain access to the grid for those who want to invest in renewable energy, whether ocean energy, onshore wind energy or otherwise. This is a real problem for investors.

I urge the Government to plough the money into the infrastructure that is necessary for what would be a major export business for Irish green energy in the future. Let us put aside the nice ideas we have about undergrounds and so on and get on with providing a grid that will enable people to access it in order that we can really transform the manner in which we produce our electricity.

As Deputy Hogan stated, we import fossil fuels at tremendous cost to this State. Oil prices will increase. We are aware we have peak oil. The minute oil prices increase, it will be detrimental to this country. The sooner we develop our own source of energy, the better. One cannot do that without the infrastructure. We found that with rail, road, etc. I appeal to the Government to realise the potential there and to invest the money.

**Deputy Joanna Tuffy:** I wish to share my time with Deputy McManus.

**Acting Chairman:** Is that agreed? Agreed.

**Deputy Joanna Tuffy:** There was a slight drop in emissions in 2008. Transport emissions are down by just under 1%, energy emissions have grown slightly and agricultural emissions have fallen due to lower cattle and sheep numbers. The other reduction relates to carbon sinks. Carbon sinks represent net afforestation since 1990 so that has allowed us to reduce our carbon emissions further. Nothing the Government has done has brought about that reduction. The falls in emissions are not due to acts by the Government but are largely due to the recession.

This is the third carbon budget and each year there is a headline stating so many tonnes of carbon will be saved because of it. With the third carbon budget, the reduction in emissions is thanks in the main to the recession. Carbon sinks also save the Government slightly. However, there is little for the Government to show for positive action to improve our environment and reduce emissions. This is against gains arising from people not being able to go to work because they have lost their job and are not driving, for example.

I presume we will have to pay for carbon credits for 2008 so will the Minister clarify how many tonnes will we have to buy and at what cost? Each year the carbon budget has had a headliner. In the first year it was energy-efficient light bulbs.

**Deputy John Gormley:** Which the Deputy opposed.

**Deputy Joanna Tuffy:** I did not.

**Deputy Liz McManus:** She did not. The Minister should be honest.

**Deputy Joanna Tuffy:** I never opposed the measure. I just pointed out that it would not be possible for the Minister to implement it and I was right. The Minister had to wait for action from Europe and 100-watt bulbs have only been phased out this year. It will take years to complete the measure. There was never a big figure amounting to hundreds of tonnes saved because of the banning of incandescent light bulbs. The headline from the first carbon budget never happened. Last year it was 2020 transport, which was very much a damp squib. The year 2020 is still a good few years away, although the Minister mentioned it again this year.

This year the headline is the carbon tax, the climate change Bill and the retrofit schemes. With the retrofit scheme, the big problem for the Government is that it usually makes a big announcement of so many millions of euro being provided with so many jobs arising from it. The newspapers write their headline from that but a year later, what will be delivered? There has been considerable underspend in the greener homes and home energy schemes this year.

I cannot presume what will happen by the end of the month but in answer to a question I tabled a week or two ago, I was told the underspend in the greener homes scheme was approximately €5 million. The underspend looks to be much greater for the home energy scheme, as €47 million was provided but only €13 million was spent at the time of my question. I could be wrong but I presume this relates to the recession. Although a grant is provided for a third of the cost of retrofitting a home to make it energy-efficient, people cannot afford to spend what is required because of the recession. The money provided for Government grants this year has apparently not been spent as a result. Will there be a similar problem with the retrofitting scheme announced by the Government this year?

Some of this goes to local authorities but they may not have the capacity to benefit because they are significantly understaffed. Authorities have lost 4,000 staff over the past year, mainly temporary staff, and in the budget this year the local government fund has been cut further. That means more staff will have to be shed by local authorities. How will such authorities carry out retrofitting or flood relief works if staff numbers are down?

[Deputy Joanna Tuffy.]

The Minister mentioned flooding. Estimates for flood relief works last year provided €50 million and the 2008 budget provided €50 million. Some €25 million was spent in 2008 and this year €38 million will be spent. The pattern has persisted for about ten years where so much flood relief is provided in the budget but not all of it is spent. A considerable amount has not been spent in the past couple of years. The Government has stated it will provide €70 million this year but at the end of next year will we find that only half of that has been spent?

When the flood policy review group and Goodbody economic consultants considered the matter they found that flood relief money was not being spent because there is not enough staffing to ensure it is spent. The Government is cutting back on such staff.

The Minister for Communications, Energy and Natural Resources, Deputy Eamon Ryan, should be picked up on the idea that we should not tax work or labour and that we should instead bring in carbon taxes. Such taxes are fine in principle but the fairest way to tax people is on their income. We do not want to go the route of the Progressive Democrat policy over the past 12 years and reduce income taxes further in the next few years. We must learn from the mistakes we have made. The Government made a mistake when it reduced income taxes and it brought about more inequality as a result, as identified by ICTU. Societies and countries which have more equality in income and fairer income tax systems have a better record on climate change.

If the Minister really wants to do something about climate change, he should bring about more income equality in Ireland. This budget is doing the reverse, and it is similar to what the Government has been doing for the past 12 years when the Progressive Democrats controlled matters. It seems the Green Party will allow this to happen and positively promote such action as the Minister, Deputy Eamon Ryan, has done lately.

The Green Party used to deal with environmental matters but over the past few years the issue has been climate change. People are now focused on jobs and the economy so the issue has become subdued. If we want to act on climate change we must protect the environment. The Minister, in the Budget Statement, has let his Government cut through the environment budget. That budget covers the Environment Protection Agency etc. and 25% less will be spent under the environment heading. Some 67% less is to be spent on waste management, which is very important in the reduction of emissions. We must ensure people do not send rubbish to landfill or incinerate it. The local government fund has been cut by 12%. The grants for heritage and planning are being reduced in a similar way.

There are headlines about climate change and announcements by Ministers in press conferences. If the Green Party is to do its job in government, it should look to protect our environment. That is where it is falling down, which is not helping with the climate change agenda.

**Deputy Liz McManus:** I thank Deputy Tuffy for affording me some time. It is welcome that we are having this debate and it is good that the carbon budget has been introduced to this House. It smacks of tokenism when one Minister is present in the House when the big task facing this Government and those following it will be tackling climate change. Departments that have a direct responsibility are not being represented. The Ministers for Transport; Agriculture, Fisheries and Food; and Enterprise, Trade and Employment are not here. The Taoiseach should be here as well.

Unless we have a significant shift in the Government on the issue we will not reach our targets. We will have debates, point out matters and have agreements and disagreements but

it will not happen. The Greens used to use the term “transformational approach” and that is what we need. This is not it.

I welcome the publication of the Bill’s framework and there are some good parts to it. I welcome that there will be a climate change committee which will draw on expertise and that fuel poverty has been mentioned, as it is central to how we approach the issue. The problem lies in the political sphere; this is about leadership and management. I cannot find within the framework document any indication that the lesson has been learned.

Responsibility will still lie with the Minister for the Environment, Heritage and Local Government but he or she is just one Minister. The big problem is that the Minister will not have authority over other Departments. The structure that all the parties on the joint Oireachtas committee support is the idea of a transformational piece of legislation where the Taoiseach will take charge and manage the project in a coherent way.

I hope it is not the case but there seems to be a real danger that the Minister feels this is his area and he must hold on to it no matter what. That is not the way of the world anymore. I will never take from the Green Party its role as a pioneer in this area but this country will not play its part internationally unless we transform the way we govern ourselves regarding climate change. This is not set out in the framework Bill and that must be addressed. I would love it to be otherwise, but it will not happen.

No Member, including the Minister, has had enough time to make his or her contribution, even though this is a central political issue, and this also needs to be addressed. The figures in the appendix to the carbon budget are valuable. Carbon emissions were expected to reduce because of the recession but that has not happened to the extent anticipated, which is a pity because we do have to deal with the issue. However, the central issue is how we transform our society across the board to ensure we have a low carbon economy whether Ireland is experiencing growth or a recession. I have great concerns, having only given the document a cursory glance, about the revised projection for gross emissions between 2008 and 2012 because it is way in excess of our emissions in 1990. This reflects myopia, a lack of confidence and a failure to grasp the core issue if we are to make the transformation we need.

The problem does not lie with Fianna Fáil. There is a readiness, which may not come naturally, that was not present previously in the larger party, to grasp the nettle but the Green Party is not pushing. The Green Party used to push all of us, which was great, but it has given up pushing and has settled for second best. I wish I did not have to say this because we must work together to meet this challenge but the proposed Bill is more of the same. I welcome wholeheartedly the few changes it provides for but in terms of political management and administration and turning the tanker around, whether it is in the difficult sectors such as transport, agriculture, enterprise and even education, a different structure and new form of governance are needed., which we have not had previously. However, we have partially applied different structures to meet major challenges such as that in Northern Ireland in the past. I urge the Minister to have courage regarding what must be done because he will have support from every party if he demonstrates the necessary courage to bring about that transformation.

**Deputy Martin Ferris:** The context of this debate is the Copenhagen Summit which is taking place this week. Climate change and, more fundamentally, adverse weather conditions are among the issues of immediate concern in Ireland in the light of the impact of the recent floods and concerns we are witnessing different and unusual patterns of rainfall that reflect global changes. Different agendas will be pushed in Copenhagen — some for selfish national reasons — but, hopefully, the hopes of ordinary people will prevail. That is why it is vital that the summit reaches a legally binding deal, which is strong enough to tackle the challenge of climate change while being just and fair to developing countries.

[Deputy Martin Ferris.]

Different interests are at stake. For developed countries, which by and large no longer depend greatly on manufacturing industry, many of targets set revolve around reducing emissions from heavy industry. For many developing countries, including some that have experienced significant industrial growth over recent decades, this is regarded as presenting a threat to their future development. Striking a balance between the two, which has the best interests of the world's population at its centre, will not be easy, but it must be done. There is also the onus on the developed western countries to set and implement binding effective targets for emission reductions, to develop new cleaner technologies in order that developing countries are not left to carry the main burden for the negative impact earlier western and northern hemisphere industrialisation and use of carbon fuels has had.

The problem of climate change must also be approached in a positive manner in order that moving away from older manufacturing systems based on the heavy use of carbon fuels is not seen as an inhibitor to economic growth but as an opportunity to boost the use of newer and cleaner technologies, which do not present the same threat to the environment and which are more sustainable both in terms of the environment and future economic growth. The key to this will be the greater utilisation of renewable energy, which will not only have radical implications for the industrial economy but also for agriculture, with the potential for the greatly increased production of energy crops, and for an entirely new economic sector based on the production of energy from the wind and sea. The potential for Ireland, as an island nation, is a huge benefit that must not be lost.

The Government claims that by introducing a carbon tax it will be on board with the thinking outlined internationally. If carbon tax is to work effectively, it should be revenue neutral whereas the measure introduced in the budget is another means to increase revenue and, in common with most of the other measures implemented, it falls disproportionately on people who are feeling the impact of the current austerity programme. It has been argued by experts in the field that an effective carbon tax, which would reduce the use of carbon fuels, would also reduce revenue from that source as logically as if it was a success, the use of carbon fuels in the transport sector would fall.

The Green Party may claim its introduction fulfils part of its commitment to having the Government implement measures to protect the environment and to attain the ambitious targets set for the reduction in CO<sub>2</sub> emissions but there is little in it that will tackle the underlying causes. Instead, it will impose an added burden of taxation and will in no way help to change patterns of transport and overall fuel use. For example, nothing in the manner in which it will be implemented will encourage people to use public transport rather than their own cars. That has been pointed out by representatives of the bus sector who have made the valid point that if the Government was serious about encouraging a significant shift to the use of the bus sector, it would not have imposed this tax on buses.

The other issue is that the tax will increase the level of fuel poverty. Imposing the tax on users of home heating oil, coal and peat will mean an added cost to household budgets, which will mean that more people will be unable to keep their homes adequately heated. This, in turn, will lead to health problems which will lead to an increased burden on the health services.

The Minister for Finance claimed that the increase in fuel poverty will be offset by a voucher system that will facilitate the application of an allowance and also that more will be invested in the effort to make homes more energy efficient and, therefore, reduce the cost of heating homes. Surely that programme ought to have been made a greater priority before this and measures put into place to ensure all houses built over the past period were compliant rather

than throwing it in now as an afterthought due to the fact that the Minister knows that applying the carbon tax to home heating oil will increase fuel poverty, as he has recognised.

He also claimed that revenue from the carbon tax will be partly used to support rural transport, which is disingenuous, given rural transport is under severe constraints from cutbacks to services. The moves afoot to significantly reduce the availability of buses in rural areas will offset any likely shift away from private car use if for no other reason than that even if people did wish to do, the service either will be no longer available or has been significantly reduced.

That is not to say there is not a serious issue to be addressed here. The level of emissions needs to be reduced. Under the Kyoto Protocol, this State has committed not to allow CO<sub>2</sub> emissions rise more than 13% above their 1990 level. Currently it is 23% above the agreed target. Not merely does this leave us in breach of our international obligations, it renders us liable to annual fines of up to €180 million. This accelerates the necessity for us to live up to our obligations.

Kyoto marked only the first step in tackling global warming. Experts estimate that carbon dioxide emissions must be reduced by between 80% and 90% by 2050 if run-away climate change is to be avoided. We have not merely a moral obligation to future generations to prevent global warming; it makes economic sense. The Stern review found clear evidence that it is cheaper to take the necessary measures to prevent climate change now than to deal with the consequences later.

Climate change is not the only reason, however, to reduce our dependence on fossil fuels. World oil supplies are getting harder to access and are concentrated in a reduced number of geopolitically unstable nations. There is still lots of oil in the ground, but it is getting tougher to find and more expensive to extract. Meanwhile the growth of the Asian economies continues to increase global demand for energy. Estimates of the date of peak oil — the point at which global supplies will top out before entering decline — range from now until 2020 or later. However, there is a growing consensus that we are entering an era of permanently higher energy prices. As a country that imports 90% of its energy, situated at the very end of extended supply lines from the Middle East and Eastern Europe, Ireland is uniquely vulnerable. This is all the more reason we should now invest in clean, sustainable energy.

Dealing with the twin challenges of climate change and peak oil requires us to begin reducing our fossil fuel usage and developing alternative sources of energy. This can be achieved by putting a price on carbon emissions, which will drive up the price of fossil fuels to reflect their environmental costs while making renewable energy more competitive. However, this again is something that would discriminate against the most vulnerable in society.

An alternative to a carbon tax such as this might be a personal carbon trading system, whereby the Government would set a national carbon budget, limiting the amount of carbon which could be emitted in a given year, and use it as a basis to allocate emissions credits to individuals. Every adult would be entitled to the same number of emission credits, which would be held in electronic accounts and used to make carbon-related purchases such as electricity, heating fuel and petrol. People who wanted an extra carbon allowance would be able to engage in emissions trading and purchase additional credits. Conversely, people who did not use all their credits could sell their surplus. The balance of supply and demand would set the price. Unlike a carbon tax, personal carbon trading would set a definite limit to the amount of carbon released by the economy in a given year. Giving everyone an equal number of carbon credits would ensure equity and effectively address the issue of fuel poverty. Personal carbon trading would be a progressive measure and since the rich use more energy, they would need to buy allowances from the less well off. In this respect, personal carbon trading is superior to a carbon tax. However, it would be complex to implement and involve high administration costs.

[Deputy Martin Ferris.]

Perhaps the best option would be a cap and share scheme, such as that proposed by the Foundation for the Economics of Sustainability, Feasta, and supported by Comhar, the Sustainable Development Council of Ireland. Under cap and share, carbon emissions would be capped at their current level and then reduced rapidly year by year. Each of us would receive an annual fossil fuel pollution authorisation permit, PAP, conveying the right to our individual share of that year's total emissions and making us responsible for it. The important thing about these permits is that unlike personal carbon trading, they would not restrain our personal energy use. Instead, they would permit fossil fuel production. PAPs would be valid for a year, during which people could sell them to financial intermediaries such as banks and post offices, which in turn would sell them on to oil, coal and gas importers or producers. These producers would need to acquire enough permits to cover the carbon dioxide emissions from every tonne of fossil fuel they sold.

Cap and share has a number of advantages. Unlike a carbon tax, the fact there is a cap on emissions means a reduction in the amount of carbon entering the atmosphere is guaranteed.

**An Ceann Comhairle:** We are under a time constraint and I am obliged to call the Minister to conclude the debate.

**Deputy Martin Ferris:** It is also fairer than any other system because the right to emissions is shared equally among the population. Although the cost of energy and other goods would rise, due to fossil fuel producers having to pay for permits, this would be offset by the money individuals would earn from the sale of their PAPs. For most people, this would be greater than the increased cost of the energy they used. Cap and share would operate as a tax or rent on fossil fuel importers and producers, but unlike other environmental taxes, its final impact would be progressive. Due to the fact cap and share does not regulate individual purchases of carbon by consumers, it is a lot simpler and cheaper to implement than personal carbon trading.

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** I thank Deputies for their contributions, in particular, Deputy Phil Hogan for his good wishes for Copenhagen. I will be joined there by some of his colleagues, including Deputy Coveney. I share the regret of others that we have not had more time for this debate. The carbon budget should be a central issue and should involve as many Ministers as possible. Ironically, because of Copenhagen, it was not possible to leave our debate on the carbon budget until a week later as originally planned. However, I hope that we will have a debate on a carbon budget in the context of the forthcoming climate change Bill. With regard to what Deputy McManus said, I continue to push for a carbon budget because I believe it is as important as the ordinary budget and will become even more important in the years to come.

Deputy Coveney spoke about, to use his own words, his own embarrassment about the recent debate on this issue. I do not doubt his bona fides with regard to the matter, but he and those in the Labour Party should look at some of the statements made by some of their own party members. I do not believe people on the back benches share their views on climate change.

**Deputy Liz McManus:** That is beneath the Minister.

**Deputy John Gormley:** It is true. I listened very carefully.

**Deputy Liz McManus:** This is a serious subject and should not be used for point scoring.

**An Ceann Comhairle:** Allow the Minister speak, without interruption.

**Deputy John Gormley:** It is a serious subject. That is why there is no need for any shred of scepticism regarding climate change such as I heard expressed the other evening.

**Deputy Liz McManus:** The Minister did not hear that.

**Deputy John Gormley:** I beg the Deputy's pardon, but I did. The Deputy can check the record.

**An Ceann Comhairle:** I ask Deputy McManus to please allow the Minister continue.

**Deputy Liz McManus:** I would like to ask the Minister a question.

**An Ceann Comhairle:** That is not provided for.

**Deputy Liz McManus:** Under the rules of the House, I am entitled to ask the Minister a question.

**An Ceann Comhairle:** The Deputy does not have an entitlement at this stage. We have time constraints.

**Deputy Liz McManus:** I have rights and am entitled to ask a question.

**An Ceann Comhairle:** We accept the Deputy has rights, but the right to put a question now is not one of them.

**Deputy John Gormley:** I will answer. What does the Deputy want to know.

**Deputy Liz McManus:** The Minister made a statement in the House and said people have expressed climate change scepticism. Will the Minister name those people?

**Deputy John Gormley:** I have no difficulty naming them if that is what the Deputy wants. I heard Deputy Durkan saying he did not believe in it. Deputy Ring had his own views and, indeed, Deputy Sherlock was very opposed to the idea of imposing a carbon levy on people who must commute. The Deputy cannot have it every way. That is the reality.

**Deputy Liz McManus:** That is not scepticism. It is called democracy.

**Deputy Phil Hogan:** The Minister is spinning it.

**Deputy John Gormley:** No. These are the facts. I commend Deputy Coveney on some of his actions on electric cars. I can assure the Deputy that my own Department has seized the initiative and has done outstanding work.

**Deputy Phil Hogan:** The Minister needs more than missionary zeal.

**Deputy John Gormley:** That will be seen by all next year when there is huge investment in the idea of electric cars.

In reply to Deputy Tuffy's question, we have had to invest in carbon credits, but it is half of what we had first anticipated. We have made steady progress. There has been a 1% annual decrease, but we need to go further. We need to get on the road to a low carbon trajectory, something that will produce jobs and will provide a better quality of life for our citizens as well.

The framework document is radical.

**Deputy Liz McManus:** No it is not.



**Deputy John Gormley:** It pushes the boat out on climate change. I am proud of the Green Party's record on this. We will continue to push for the very highest standards. An 80% reduction by 2050 is what the scientists are telling us is required.

**Deputy Liz McManus:** This will no do it.

**Deputy John Gormley:** It will be tough, but it is absolutely necessary. The Green Party was the party that set up the Joint Oireachtas Committee on Climate Change. I hope we can continue along this path and that we will get there. Let us all hope for a good result in Copenhagen.

### **Social Welfare and Pensions (No. 2) Bill 2009: Second Stage (Resumed).**

Question again proposed: "That the Bill be now read a Second Time."

**Deputy Jan O'Sullivan:** I would like to share my time with Deputy Joe Behan.

**An Ceann Comhairle:** Is that agreed? Agreed.

**Deputy Jan O'Sullivan:** I cannot believe the Government has failed to poverty-proof this budget. It has been a feature of all budgets since I have been here that the back of the budget document contained an annex on poverty proofing and which explained the effect of the budget on the poorest. Thankfully, today's newspapers have done it. For example, *The Irish Times* notes that the poorest one fifth of families will lose 2.7%, while the richest one fifth will gain 0.5% as a result of this budget. That is a very good indication of why we did not have a poverty-proofing of this budget, which I believe we were obliged to do.

It is quite clear that the Thatcherite approach of this budget has been swallowed hook, line and sinker by the people on the Government benches. They will march into the lobbies this afternoon. I appeal to them, and in particular to the so-called independents who are supporting the Government and who were bought by the price of hospitals and medical facilities that had been already announced, to realise for what they are actually voting. They will reduce people's income to €196 per week, while the richest of the rich are getting away scot free. I will now give way to Deputy Behan, who is a true independent in this House.

**Deputy Joe Behan:** I thank the Labour Party, particularly Deputy O'Sullivan and Deputy Stagg, for giving me the opportunity to speak for 60 seconds on this Bill. They have been very generous in offering valuable time, because I know that time for discussion is coming to an end.

Deputies McGrath and O'Sullivan have their own distinct opinions, but I think they generally agree with me when I say this is an unfair, unjust and inequitable budget. The documentation we received outlines the income reductions on many of the poorest people in our society. As far as I am concerned, it is a charter for injustice. The Members who support this tonight will have to hang their heads in shame. Payments such as widows' pensions, carer's benefit, invalidity pension, disability pension, supplementary welfare allowance — the most basic payment for the poor — carer's allowance, disability and blind pension allowance are being cut. It is unbelievable that Fianna Fáil — a party that always stood for all sectors in society, especially the weakest — would for the first time in its proud history decide to attack the poorest people in our country. It contrasts vividly with the abject and unconditional surrender to the judges of this country, who are not being asked to make any contribution on a compulsory manner to the difficulties that this nation faces. That says it all. On that basis, I will not be supporting this measure tonight.

While I am grateful for the minute I received from the Labour Party to speak on this, it is not acceptable that three Members elected by the people to this Chamber should have to grovel and beg to get this time to speak on important issues. The three independent Members will continue to fight for our right to speak on issues such as this in the future.

**An Ceann Comhairle:** I call on an t-Aire.

**Deputy Róisín Shortall:** On a point of order, I would like the Minister to address her comments specifically to the issue raised by Deputy O'Sullivan on the absence of poverty proofing in the budget.

**An Ceann Comhairle:** That is not a point of order.

**Deputy Róisín Shortall:** It is standard practice since 1998. We have a right to know if this budget has been poverty proofed before we are asked to vote on it.

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** I thank Deputies for contributing to the debate on Second Stage. Deputies from all sides of the House——

**Deputy Caoimhghín Ó Caoláin:** With respect, I would like to make a point of order. As a Deputy in this House for more than 13 years, I would like to indicate that I have not had the opportunity to participate in this debate, nor has the Sinn Féin slot as ordered by the office of the Ceann Comhairle.

**An Ceann Comhairle:** That is not a point of order.

**Deputy Caoimhghín Ó Caoláin:** The speaking order for all the parties represented here was determined by your predecessor. The Sinn Féin slot has not even been reached. Only for the accommodation of the Labour Party to share a slot, we would not have had the opportunity——

**An Ceann Comhairle:** I must advise you that when we finish Second Stage, we will be going on to Committee, Report and Final Stages of the Bill.

**Deputy Caoimhghín Ó Caoláin:** This is very important, with respect. I do not seek to disrupt the House. A Cheann Comhairle, I am asking you to take on board the fact that we have been censored and cut out. Three quarters of the Sinn Féin team in the Dáil have been prevented from participating on Second Stage of one of the most important Bills to come before this House, with far-reaching consequences for our constituents and ordinary people across the country.

**An Ceann Comhairle:** You must resume your seat. The order of the House is being openly flouted.

**Deputy Caoimhghín Ó Caoláin:** There can be no other decision taken by this Government than a decision to go to the people. If the Government proceeds to ram this down the throats of the people, it should have the courage of its convictions to go before the people and let them judge what it is foisting on each and every one of them. For shame.

**Deputy Mary Hanafin:** Again, I would like to thank Deputies from all sides of the House who spoke on this debate, especially those who waited until late last night to make very reasonable contributions, unlike Deputies from parties with speaking slots who chose to abuse, criticise and disrupt the business, but who chose not to speak on Second Stage. Obviously, they had nothing of value to offer. I am sorry Deputy Stagg took the view that it would be more appro-

[Deputy Mary Hanafin.]

priate to disrupt than to make a contribution, unlike others in the Labour Party who made very reasonable contributions last night——

**Deputy Aengus Ó Snodaigh:** Shame on the Government.

**Deputy Caoimhghín Ó Caoláin:** Censored and silenced.

**Deputy Mary Hanafin:** ——as did the Fine Gael Party.

**An Ceann Comhairle:** I ask the Deputies to desist.

**Deputy Mary Hanafin:** This is a very difficult and sensitive Bill. It is with a very heavy heart that we come to make recommendations to the social welfare budget. It is unfortunate that due to the balancing of the books that must happen from the nation's point of view, we must reduce our expenditure.

*(Interruptions).*

**Deputy Mary Hanafin:** The choices that had to be made involved making cuts across all different Departments. The choices are not just that we could take in more revenue from a particular group, because that was not going to find us €4 billion. That was not going to make the changes that we needed for the long term. We were faced with a situation where every single Department had to make savings. Within the social welfare budget, there were difficult choices.

**Deputy Jan O'Sullivan:** The Minister did not need to do it this way.

**Deputy Mary Hanafin:** Nobody relishes having to do that, but we also made choices which were positive. We made choices that excluded pensioners. It is important that those over the age of 66 were recognised for their contribution to society and for the fact that they do not have the opportunity to generate incomes for themselves in the future.

**Deputy Róisín Shortall:** The Minister took the bonus from them and imposed an additional levy of €5 per week in respect of drug payments.

**Deputy Mary Hanafin:** We made a positive decision in respect of pensioners and a positive decision in relation to children.

**Deputy Róisín Shortall:** The Government left the millionaires alone and hit the most vulnerable.

**Deputy Aengus Ó Snodaigh:** The nature of that positive decision is to send all our young people abroad. That is extremely positive.

**Deputy Róisín Shortall:** Millionaires are untouched and the most vulnerable are being hit.

**Deputy Aengus Ó Snodaigh:** The Minister is screwing the people who are poorest.

**Deputy Martin Ferris:** It is a novel way to reduce the dole queues.

**An Ceann Comhairle:** The Minister, without interruption.

**Deputy Martin Ferris:** Those on the dole are being encouraged to leave the country. That is the Government's policy.

**Deputy Mary Hanafin:** We also made a decision in respect of the children of the most vulnerable.

**Deputy Emmet Stagg:** Why is it not possible to tax the bankers?

*(Interruptions).*

**Deputy Billy Kelleher:** Those opposite exiled a few people in the past.

**Deputy Mary Hanafin:** If Deputy Stagg had something valuable to say, he would have chosen to say it during his contribution. However, he did not do so.

**Deputy Róisín Shortall:** Why does the Government not tax the rich?

**Deputy Mary Hanafin:** We made an extremely positive decision in respect of the children of the most vulnerable.

**Deputy Emmet Stagg:** On a point of order, the Minister should withdraw the statement she has just made. She is well aware of the reason why I and 17 other Members of the Labour Party did not contribute. We were excluded from doing so by the guillotine being imposed.

**An Ceann Comhairle:** That is not a point of order. Ar aghaidh leat, a Aire.

**Deputy Emmet Stagg:** We were prevented from contributing by a guillotine being imposed.

**An Ceann Comhairle:** That is not a procedural matter.

**Deputy Emmet Stagg:** Another reason was that the Minister had an hour in which to contribute when she should only have had 30 minutes.

**An Ceann Comhairle:** Deputy Stagg should resume his seat.

**Deputy Michael D. Higgins:** Deputy Stagg has been referred to by the Minister on three occasions in the past five minutes. Many of us had contributions to make.

**Deputy Caoimhghín Ó Caoláin:** We have been silenced and prevented from participating.

**An Ceann Comhairle:** The Minister, without interruption.

**Deputy Michael D. Higgins:** The Minister should get on with uttering her old guff now.

**Deputy Aengus Ó Snodaigh:** This is a dictatorship.

**Deputy Martin Ferris:** Bring back section 31.

**Deputy Mary Hanafin:** Huge progress has been made in the context of reducing consistent poverty among children and older people.

**Deputy Róisín Shortall:** That will be reversed by the cuts to child benefit.

**Deputy Mary Hanafin:** We will certainly not do anything to reverse this. Even though there has been a reduction in child benefit——

**Deputy Emmet Stagg:** I love the Minister's use of the term "Even though". It is as if the cut happened by accident.

**Deputy Mary Hanafin:** We have ensured that the children of families on social welfare and in receipt of family income supplement will be protected.

**Deputy Caoimhghín Ó Caoláin:** This Bill is anti-children, anti-young people and anti-jobs.

**An Ceann Comhairle:** Deputies, please.

**Deputy Aengus Ó Snodaigh:** Please what? Does the Ceann Comhairle want us to please allow the Minister to cut people's payments? Members on this side will not apologise for interrupting.

**Deputy Mary Hanafin:** Of all the different groups I met prior to the budget, it was the members of this group which indicated that they were willing to make a contribution. I accept that it is extremely difficult to take €8.30 a week from people. We do not underestimate the difficulties this will cause.

**Deputy Aengus Ó Snodaigh:** The Minister does not have a clue about such difficulties. If she did, she would not even contemplate these cuts

**Deputy Mary Hanafin:** However, we were able to do this, particularly in view of the increases provided in recent years and the fact that, as a result of the serious deflation that has occurred, people's money goes further.

**Deputy Aengus Ó Snodaigh:** The Minister should take the silver spoon out of her mouth and take note of the damage she is doing.

**Deputy Róisín Shortall:** The Government has left the millionaires alone and has hammered the weakest in society.

**Deputy Mary Hanafin:** Serious deflation has occurred and this means that the money——

**Deputy Aengus Ó Snodaigh:** Shame on the Government.

**Deputy Róisín Shortall:** If the Minister had any shame she would resign.

**Deputy Mary Hanafin:** We are in an unusual situation whereby there is an economic crisis and serious deflation has occurred.

**Deputy Róisín Shortall:** The Minister has no empathy with the poor at all.

**An Ceann Comhairle:** Deputy Shortall, please.

**Deputy Aengus Ó Snodaigh:** It is "Lady" Shortall.

**Deputy Mary Hanafin:** Deflation did not occur in previous years. On other occasions there would have been inflation but now we have deflation. Whereas we have returned to the incomes of 2003 and the prices of 2007——

**Deputy Aengus Ó Snodaigh:** We have not returned to the prices of 2003. Has the Minister even looked at her electricity bill?

**Deputy Mary Hanafin:** ——social welfare rates have not returned to what they were in those years.

**Deputy Róisín Shortall:** Why were millionaires left alone?

**Deputy Aengus Ó Snodaigh:** Has the Minister considered the cost involved in sending a child to school. Free education my arse.

**Deputy Mary Hanafin:** There was reference to specific groups. In its pre-budget submission, Fine Gael indicated that it would cut the social welfare rates relating to the unemployed and lone parents. Fine Gael accepted that we needed to take action in this regard but it also indicated that certain groups would be excluded from such cuts. When one considers the various groups of working-age people and tries to distinguish between them——

**Deputy Denis Naughten:** We also stated that we would give jobs to these people.

**Deputy Mary Hanafin:** ——it is impossible to state which of them is more special than the other. We appreciate the work done by carers in particular. Carers are the first to recognise that not only have their basic payments increased in recent years and that the disregards were also increased.

**Deputy Aengus Ó Snodaigh:** What about the cost of living?

**Deputy Róisín Shortall:** This is an insult to carers.

**Deputy Mary Hanafin:** In addition, carers can avail of free travel and household benefits. The groups representing carers requested, in the strongest terms, that we should not touch the half-rate allowance or the respite grant.

**Deputy Emmet Stagg:** The Minister took away all the appliances of which they could avail.

**Deputy Mary Hanafin:** We did not touch either of these payments and the reason is that we recognise the role of carers.

**Deputy Aengus Ó Snodaigh:** The Minister does not recognise their role. If she did, she would not have touched their payments.

**Deputy Róisín Shortall:** Why is the Minister cutting their incomes?

**Deputy Mary Hanafin:** The respite care grant has increased to €1,700. When it was first introduced, the rate of payment was only €250. The grant is paid to those who do not receive carer's allowance. Therefore, it constitutes a real recognition for these individuals. We could have cut the respite care grant and left the rate unchanged. However, this would have had an impact on a greater number of carers so we chose not to do so.

**Deputy Emmet Stagg:** The Government could have taxed the bankers.

**Deputy Róisín Shortall:** And the rich.

*(Interruptions).*

**Deputy Emmet Stagg:** What about people who earn €500,000 a year?

**Deputy Mary Hanafin:** We did not touch the disregards for carers. Very generous disregards apply in circumstances where carers or their spouses are allowed to work.

**Deputy Róisín Shortall:** The Minister is protecting the rich and hammering the poor.

**Deputy Aengus Ó Snodaigh:** The Government could have taxed a few of its old cronies.

**Deputy Billy Kelleher:** What about Sinn Féin's friends at the Royal Bank of Scotland.

**Deputy Arthur Morgan:** Fianna Fáil took money from the people and gave it to the banks.

**Deputy Mary Hanafin:** A couple with two children can earn in the region of €37,200 and still receive the maximum rate of carer's allowance. In light of the disregards that exist, we are trying to ensure that carers, depending on family circumstances, have the opportunity to work outside the home as well. We recognise and appreciate these individuals for the work they do. The same applies in respect of the domiciliary care allowance for parents who have children with special needs. We did not cut this allowance, even though the people in this group are of working age. It was important that we did not reduce the rate of this allowance.

Some €650 million will be spent on carer's allowance, carer's benefit, the respite care grant and the half-rate carer's allowance in 2009. This compares to an amount of €46 million being spent on them just over ten years ago. That is a very big contribution.

**Deputy Emmet Stagg:** The Minister is great.

**Deputy Caoimhghín Ó Caoláin:** The situation which obtains now is very different from that which obtained just over ten years ago.

**Deputy Mary Hanafin:** While it is regrettable that we have been obliged to cut the weekly rate, it would not have been possible to exclude just one group. We could not, for example, have cut the rates paid to carers and not cut those relating to another of the working-age groups.

There has been a great deal of discussion with regard to the sensitivities that apply in respect of cutting allowances for people with disabilities. I accept that we are talking here about an extremely vulnerable group.

**Deputy Aengus Ó Snodaigh:** So much for the rights of people with disabilities.

**Deputy Mary Hanafin:** The rate of payment on disability benefit has increased from €89.70 in 1997 to €204 this year.

**Deputy Caoimhghín Ó Caoláin:** What about the real hardship that will result from what is being done?

**Deputy Aengus Ó Snodaigh:** People are trying to survive on a pittance.

**Deputy Mary Hanafin:** The rate of payment has increased by 130%. However, it is not just about the payment.

**Deputy Aengus Ó Snodaigh:** No, it is about rights.

**Deputy Mary Hanafin:** In meeting the relevant groups, I discovered that what is of as much concern to them as the rate of payment is the level of community and health supports in place.

**Deputy Aengus Ó Snodaigh:** And the Minister is cutting those as well.

**Deputy Emmet Stagg:** What about the appliances that will no longer be available?

**Deputy Mary Hanafin:** If cuts were not made in the social welfare budget, the burden would have fallen on making cuts in, for example, the health budget.

**Deputy Aengus Ó Snodaigh:** What about the bankers and those who are earning more than €400,000? They could have been taxed.

**Deputy Mary Hanafin:** It would have been far worse for people with disabilities if we had been obliged to cut back on home help, home care packages, respite care or day care places.

**Deputy Emmet Stagg:** The home care packages have disappeared.

**Deputy Jan O'Sullivan:** The Minister can tick that one off. It has already been done.

**Deputy Mary Hanafin:** An additional €10 million has been invested in home care packages.

**Deputy Emmet Stagg:** There have been no home care packages available in Kildare since last January.

**Deputy Róisín Shortall:** Dental and optical cover have been removed. Will the Minister pick on medical card holders next?

*(Interruptions).*

**Deputy Mary Hanafin:** We are ensuring that there will be no diminution of the services available for people with disabilities. That is the type of choice the Government faced when trying to frame the budget. There were recommendations to the effect that the various disability groups, carers groups, and so on, should have been left out.

**Deputy Aengus Ó Snodaigh:** A recommendation was made in this regard but the Minister did not take it on board.

**Deputy Mary Hanafin:** If that had been accepted, we would have been obliged to take €100 million or €120 million from another Department's budget, which would have caused undue hardship.

I mentioned reductions in the cost of living. I know the figures are far better for people who perhaps have a mortgage or cars, but the prices relating to energy, clothing, footwear and food have also decreased and this has an impact on everyone.

**Deputy Aengus Ó Snodaigh:** Fuel and other costs have increased. What is the Minister talking about? The Government increased the cost of living when it introduced the budget.

**Deputy Mary Hanafin:** There has been much discussion with regard to fraud and combating fraud, which is a major priority for the Government and the Department of Social and Family Affairs.

**Deputy Róisín Shortall:** The Minister is performing terribly.

**Deputy Mary Hanafin:** There is absolutely no evidence that the figures which were bandied about on a recent television programme to the effect that 10% of the people on social welfare schemes are engaged in fraud.

**Deputy Róisín Shortall:** Did the Minister read the Comptroller and Auditor General's report?

*(Interruptions).*

**Deputy Caoimhghín Ó Caoláin:** Shame.

**Deputy Mary Hanafin:** The level of fraud is extremely small. However, the level of fraud among some categories of people on certain schemes can be quite high.



**Deputy Aengus Ó Snodaigh:** Then deal with it.

**Deputy Róisín Shortall:** If it was dealt with properly, cuts would not be necessary.

*(Interruptions).*

**Deputy Aengus Ó Snodaigh:** What is being done in this regard is nothing but a distraction.

**Deputy Mary Hanafin:** That is why we have clamped down on the activities of such individuals. That is why the Bill contains new measures which will assist the Department in combating fraud.

We have ensured that we will do whatever is necessary to work with agencies in this and other jurisdictions to combat fraud because, after all, taxpayers' money is at stake.

**Deputy Róisín Shortall:** The Minister is hammering the poor to protect the rich.

**Deputy Aengus Ó Snodaigh:** The Government should tackle the hypocrisy in our society.

**Deputy Mary Hanafin:** A great deal of misinformation was bandied about last evening in respect of young people. Despite the fact that Fine Gael criticised our proposals in this regard, its pre-budget document suggested that it would reduce the payment to young people by €50 per week if they did not take up opportunities in training or education.

**Deputy Aengus Ó Snodaigh:** What about young people? They will all go abroad.

**Deputy Denis Naughten:** Yes, but our document indicated that we would provide the relevant education and training courses.

**Deputy Mary Hanafin:** We will increase their payments by up to €50 per week if they take up such opportunities.

*(Interruptions).*

**Deputy Mary Hanafin:** That is an important element of the legislation.

**Deputy Emmet Stagg:** The Minister's time is up.

**Deputy Mary Hanafin:** It was important that the Government provide leadership. We have done this in respect of our work and we must do it in the interests of the country. I regret the difficulties this will cause for people.

**Deputies:** Shame.

**Deputy Mary Hanafin:** I will move an amendment on Committee Stage to ensure that young people aged 22 to 24 will obtain the full rate of payment if they participate in the Government's work placement programme.

*(Interruptions).*

**An Ceann Comhairle:** I must put the amendment.

**Deputy Róisín Shortall:** On a point of order—

**An Ceann Comhairle:** I am on my feet and putting the question.

Question put: "That the words proposed to be deleted stand part of the main Question."

The Dáil divided by electronic means.

**Deputy Paul Kehoe:** I am devastated that some of the Members opposite voted for Second Stage of the Social Welfare and Pensions (No. 2) Bill. These are discriminatory measures against the blind, the disabled and the carers.

**Deputy Dermot Ahern:** The Deputy's party voted against the increases.

**Deputy Paul Kehoe:** If the Members opposite and the so-called Independent Members want to vote against these measures we will give them an opportunity now to go up the stairs and turn right. I am calling for a vote by other than electronic means.

**Deputy Bernard J. Durkan:** We are giving the Government an opportunity to reverse its decision to make all the people poor.

**Deputy Noel Dempsey:** The Deputy has to take the 5% cut or else we will make it 15%.

Question again put: "That the words proposed to be deleted stand part of the main Question."

The Dáil divided: Tá, 81; Níl, 74.

Tá

Ahern, Bertie.  
 Ahern, Dermot.  
 Ahern, Michael.  
 Ahern, Noel.  
 Andrews, Barry.  
 Andrews, Chris.  
 Ardagh, Seán.  
 Aylward, Bobby.  
 Brady, Aine.  
 Brady, Cyprian.  
 Brady, Johnny.  
 Browne, John.  
 Byrne, Thomas.  
 Calleary, Dara.  
 Carey, Pat.  
 Collins, Niall.  
 Conlon, Margaret.  
 Connick, Seán.  
 Coughlan, Mary.  
 Cregan, John.  
 Cuffe, Ciarán.  
 Cullen, Martin.  
 Curran, John.  
 Dempsey, Noel.  
 Devins, Jimmy.  
 Dooley, Timmy.  
 Fahey, Frank.  
 Finneran, Michael.  
 Fitzpatrick, Michael.  
 Fleming, Seán.  
 Flynn, Beverley.  
 Gormley, John.  
 Grealish, Noel.  
 Hanafin, Mary.  
 Harney, Mary.  
 Haughey, Seán.  
 Healy-Rae, Jackie.  
 Hoctor, Máire.  
 Kelleher, Billy.  
 Kelly, Peter.  
 Kenneally, Brendan.

Kennedy, Michael.  
 Killeen, Tony.  
 Kitt, Michael P.  
 Kitt, Tom.  
 Lenihan, Brian.  
 Lenihan, Conor.  
 Lowry, Michael.  
 McEllistram, Thomas.  
 McGrath, Mattie.  
 McGrath, Michael.  
 McGuinness, John.  
 Mansergh, Martin.  
 Martin, Micheál.  
 Moloney, John.  
 Moynihan, Michael.  
 Mulcahy, Michael.  
 Nolan, M. J.  
 Ó Cuív, Éamon.  
 Ó Fearghaíl, Seán.  
 O'Brien, Darragh.  
 O'Connor, Charlie.  
 O'Dea, Willie.  
 O'Donoghue, John.  
 O'Flynn, Noel.  
 O'Hanlon, Rory.  
 O'Keefe, Batt.  
 O'Keefe, Edward.  
 O'Rourke, Mary.  
 O'Sullivan, Christy.  
 Power, Peter.  
 Power, Seán.  
 Roche, Dick.  
 Ryan, Eamon.  
 Sargent, Trevor.  
 Scanlon, Eamon.  
 Smith, Brendan.  
 Treacy, Noel.  
 Wallace, Mary.  
 White, Mary Alexandra.  
 Woods, Michael.

Níl

Allen, Bernard.	Lynch, Ciarán.
Bannon, James.	Lynch, Kathleen.
Barrett, Seán.	McEntee, Shane.
Behan, Joe.	McGinley, Dinny.
Breen, Pat.	McGrath, Finian.
Broughan, Thomas P.	McHugh, Joe.
Bruton, Richard.	McManus, Liz.
Burke, Ulick.	Mitchell, Olivia.
Burton, Joan.	Morgan, Arthur.
Byrne, Catherine.	Naughten, Denis.
Carey, Joe.	Neville, Dan.
Clune, Deirdre.	Ó Caoláin, Caoimhghín.
Connaughton, Paul.	Ó Snodaigh, Aengus.
Coonan, Noel J.	O'Donnell, Kieran.
Costello, Joe.	O'Dowd, Fergus.
Coveney, Simon.	O'Keefe, Jim.
Crawford, Seymour.	O'Mahony, John.
Creed, Michael.	O'Shea, Brian.
Creighton, Lucinda.	O'Sullivan, Jan.
D'Arcy, Michael.	O'Sullivan, Maureen.
Deasy, John.	Penrose, Willie.
Deenihan, Jimmy.	Perry, John.
Doyle, Andrew.	Quinn, Ruairí.
Durkan, Bernard J.	Rabbitte, Pat.
English, Damien.	Reilly, James.
Feighan, Frank.	Ring, Michael.
Ferris, Martin.	Shatter, Alan.
Flanagan, Charles.	Sheahan, Tom.
Flanagan, Terence.	Sheehan, P. J.
Gilmore, Eamon.	Sherlock, Seán.
Hayes, Brian.	Shortall, Róisín.
Hayes, Tom.	Stagg, Emmet.
Higgins, Michael D.	Stanton, David.
Hogan, Phil.	Timmins, Billy.
Kehoe, Paul.	Tuffy, Joanna.
Kenny, Enda.	Upton, Mary.
Lee, George.	Varadkar, Leo.

Tellers: Tá, Deputies Pat Carey and John Cregan; Níl, Deputies Paul Kehoe and Emmet Stagg.

Question declared carried.

Amendment declared lost.

**An Ceann Comhairle:** I declare the Bill to be read a Second Time in accordance with Standing Order 121(2)(i).

### **Social Welfare and Pensions (No. 2) Bill 2009: Committee and Remaining Stages.**

#### SECTION 1.

**Deputy Róisín Shortall:** On a point of order, the Cabinet handbook states that any policy proposals must clearly indicate the impact of the proposal on groups in poverty or at risk of falling into poverty. Every year since 1998, the budget——

**An Ceann Comhairle:** That is not a point of order. A point of order concerns procedure. It is a point of information.

**Deputy Róisín Shortall:** It is a requirement of the Cabinet handbook. Can the Minister tell us whether that requirement has been met?

**An Ceann Comhairle:** No. We must move on to the amendments. We will deal with section 1 in the name of Deputy Ó Snodaigh. It is not a point of order.

**Deputy Róisín Shortall:** With all due respect, it is reasonable to ask the Minister whether she is in compliance with the Cabinet handbook.

**An Ceann Comhairle:** The Deputy will have ample opportunity to deal with it as we go along.

**Deputy Aengus Ó Snodaigh:** Leasú seo a thairiscint agus ba mhaith liom——

**Deputy Róisín Shortall:** The Members of this House have a right to know whether the Minister is in compliance with the Cabinet handbook.

**An Ceann Comhairle:** We are into Committee Stage debate. The Deputy will have ample opportunity to pose these questions as we go along.

**Deputy Róisín Shortall:** Can the Minister clarify that?

**Deputy Enda Kenny:** In support of Deputy Shortall, if there is such a document available, it would help the Members in the discussion on the various sections of the Bill in order that they can have confirmation of what the Department and Government were talking about in terms of poverty proofing in respect of each of these sections.

**An Ceann Comhairle:** That is not a point of order.

**Deputy Enda Kenny:** After all, as the Minister is aware, she has the unenviable task of being the first Minister to cut social welfare payments.

**An Ceann Comhairle:** I call Deputy Ó Snodaigh.

**Deputy Aengus Ó Snodaigh:** Ba mhaith liom leasú Uimh. 1 a thairiscint——

**An Ceann Comhairle:** Excuse me, that amendment is out of order.

**Deputy Aengus Ó Snodaigh:** Tá sé tairgthe agam anois so tá sé ró dhéanach.

**An Ceann Comhairle:** The amendment in the Deputy's name is out of order.

**Deputy Aengus Ó Snodaigh:** I have already moved it.

**An Ceann Comhairle:** We move to section 2.

**Deputy Aengus Ó Snodaigh:** On a point of order, although the Ceann Comhairle is now ruling it is out of order, I have already moved it. Once it is moved, it is open for debate. The Ceann Comhairle should not have called me if that is the case.

**An Ceann Comhairle:** The amendment is out of order. It cannot be moved when it is not in order.

**Deputy Aengus Ó Snodaigh:** It is a ridiculous situation that the Ceann Comhairle is trying to rule it out of order——

**An Ceann Comhairle:** Deputy, please.

**Deputy Aengus Ó Snodaigh:** The Ceann Comhairle called me to speak. I am using my opportunity on Committee Stage to speak on section 1.

**An Ceann Comhairle:** I have already notified the Deputy that this amendment is out of order. We are moving on.

**Deputy Aengus Ó Snodaigh:** You cannot move on. This is Committee Stage.

**An Ceann Comhairle:** Deputy, look——

**Deputy Aengus Ó Snodaigh:** On a point of order, this is Committee Stage. Is that right?

**An Ceann Comhairle:** Yes.

**Deputy Aengus Ó Snodaigh:** Whether you have ruled my amendment in or out makes no difference. You called me on section 1. That is what you said. I got up——

**An Ceann Comhairle:** We have several Members in the House——

**Deputy Aengus Ó Snodaigh:** This is a point of order. You are not supposed to roar over me and I am not supposed to roar over you either. I am on my feet explaining to you a point——

**An Ceann Comhairle:** The Deputy should resume his seat.

**Deputy Aengus Ó Snodaigh:** I am speaking on a point of order.

**An Ceann Comhairle:** When the Chair is on his feet, the Deputy must resume his seat.

**Deputy Aengus Ó Snodaigh:** I am speaking on a point of order. The Ceann Comhairle has no idea what is going on in the House.

**An Ceann Comhairle:** Amendment No. 1 to section 1 in the Deputy's name is out of order and the Deputy was notified to that effect earlier.

**Deputy Aengus Ó Snodaigh:** That is not the point I am making. If the Ceann Comhairle took the time to listen——

**An Ceann Comhairle:** We are on Committee Stage.

**Deputy Aengus Ó Snodaigh:** Yes, and the Ceann Comhairle called me on section 1.

**An Ceann Comhairle:** I did not call the Deputy on section 1.

**Deputy Aengus Ó Snodaigh:** The Ceann Comhairle did. If he checks the record he will see he called me on section 1.

**An Ceann Comhairle:** No, I did not.

**Deputy Aengus Ó Snodaigh:** That is why I am on my feet so the Ceann Comhairle is being disorderly. He has not a clue about the rules.

**An Ceann Comhairle:** Several Members were on their feet, including Deputy Ó Snodaigh, and I had not yet called him at that stage.

**Deputy Aengus Ó Snodaigh:** The Ceann Comhairle called me.

**An Ceann Comhairle:** I was on the point of saying that the amendment was out of order.

**Deputy Aengus Ó Snodaigh:** Then the Ceann Comhairle called me a second time.

**An Ceann Comhairle:** The Deputy must resume his seat.

Amendment No. 1 not moved.

Question proposed: "That section 1 stand part of the Bill."

**Deputy Aengus Ó Snodaigh:** I am now on my feet on section 1. This is Committee Stage so I am entitled, as the Ceann Comhairle called me, to speak on section 1. It is about time the Ceann Comhairle listened.

**Deputy Róisín Shortall:** Before we start the debate on Committee Stage, could we get the final list of numbered amendments?

**Deputy Aengus Ó Snodaigh:** On section 1, I will mention the fact that I tried to amend section 1, the Title to the Bill and how it will be cited as an Act in the future, as the Social Welfare and Pensions (No. 2) Act 2009.

That Title gives no indication of the scale of what this Bill involves. My attempt to amend the Title was ruled out of order. I got the Ceann Comhairle's missive, which stated that he regretted to inform me that amendments Nos. 1 and 9, tabled by me for Committee Stage of the Social Welfare and Pensions (No. 2) Bill, must be ruled out of order as they are declaratory in nature. That is ridiculous, they are not declaratory, they are descriptive. The whole idea is to allow a description of what the Bill intends to achieve.

The intention behind the entire Bill is to substantially reduce social welfare. Not only will it do that but it will lay the groundwork for emigration on a vast scale again, something this Government boasted for ten years that it had eradicated. Emigration destroyed communities across this country and that is exactly what this Bill will do if and when it is passed.

It is my intention to raise the issue that this Bill will substantially reduce social welfare. I was not being frivolous or declaratory, I was being realistic in what I intended to do, so that this Bill and its odious nature would reflect that in the future.

This Bill will substantially reduce social welfare payments to young people and turn them into second class citizens, it will discriminate against them and mean they are not proper citizens who enjoy the same benefits as those over 25. Where the 25 years came from, I do not know. I presumed that young people became adults at the age of 18 according to the State but there is a different system. The Short Title, construction, collective citations and commencements of this Bill should include information to that effect.

If I had the time I would have tried to alter the commencement of the Bill to ensure it would not come into effect until the number of unemployed had fallen back to where it was four years ago and that poverty had been reduced to a negligible level. We did not have that opportunity because this Bill was produced when the Department was burning the midnight oil at a moment's notice. That can be seen by the fact that the Minister for Social and Family Affairs is even, at this stage, trying to introduce amendments.

The other point I wanted to make on section 1 but I did not have the luxury of time, is that this Bill should not be coming into operation unless every aspect of it is poverty proofed. Deputy Shortall mentioned the Cabinet handbook instruction that all legislation introduced should be examined to ensure it does not increase the level of poverty. The level of poverty will substantially increase because of this Bill for the vast majority of people. There is, however, a small cohort in society who will continue to increase their wealth and who will get away with it scot free. The taxation system has not been made fair. That is what we should be addressing.

If this Bill addressed the huge wealth that still exists in this country, we might be able to support it but I will not stand here and support any aspect of this Bill because its intention is

1 o'clock

[Deputy Aengus Ó Snodaigh.]

to screw the people, to rob those who are already poor of the little they have, to take meals from children and to make young people emigrate.

It is scandalous what it will do to graduates. I remember the brain drain in the 1980s, where those who came out of university went away, so the State lost all the investment it made in their education. That is what will happen again, we will forego the investment the State has made in education, even though it was not enough. The young people will leave. In this Bill, the Government is ensuring those graduates, who started their university education with a career path in mind for when they finish, can no longer follow that path because the jobs are gone and the Government did nothing to protect them or to ensure they would come back.

Where will those people go when they finish university? Straight on to the dole at €100 each. How will they survive to ensure they are still around if the economy comes out of recession in five or six years' time? It will be more than five or six years if this Government has anything to do with it because it has no stimulus package to put in place.

That was the intention of the amendment and that is why I am objecting to section 1. This section and the rest of the Bill should be rejected.

**Deputy Arthur Morgan:** I oppose section 1. It clearly facilitates the proposed cuts to welfare payments for young people, cuts that are totally unacceptable. I ask the Minister to consider that these young people have been in education for up to five years, they have significant skills and if they cannot go to work, it is not because they do not want to, clearly they do. They want to get on with their careers, to begin saving and building their lives. Unfortunately the Government is now telling them they must take a six week course that is probably considerably below their skill levels.

We must ask, therefore, what is the motivation behind these proposals. It is clearly designed to facilitate these young people going abroad. Internationally, Canada is one of the few places where there might be employment, or indeed Poland. Any of the other traditional hunting grounds for work for the Irish — Britain, the US, Australia — are all under pressure themselves.

The Government is not just guilty in this Bill of forcing young people away from Ireland but of forcing them into further difficulties, something that is completely unacceptable. The courses on offer are largely short courses in FÁS and I wonder what will be the outcome of its budget cuts with regard to these courses.

Young people want to go to work; they do not want to be hanging around home or around the town because they did the training for work and pursued an education. It is the fault of the Government that they are unable to pursue a career because the Government sleepwalked through ten to 12 years of an economic boom during which little or no infrastructure was put in place. It allowed the property bubble to expand and this is what has us where we are.

I will conclude because other speakers are indicating and we will facilitate them even if the Government will not. One of the biggest hurts in this whole package of budgetary measures is the penalising of people with medical cards by forcing them to pay for medication when there was another way. The Government could have talked to the GPs who are writing the prescriptions for excessive medications and not the poor people on the other side of the desk. The Government is putting its hand into the pockets of people who demonstrably, are in need, by virtue of the fact they hold a medical card under very stringent criteria for its possession.

**Deputy Mary Hanafin:** The Title of the Bill, which is appropriate, states that this Bill is dealing with social welfare and with pensions.

Question put and declared carried.

Section 2 agreed to.

### SECTION 3.

Question proposed: "That section 3 stand part of the Bill."

**Deputy Róisín Shortall:** We still have not received a full grouping list of amendments. It is very difficult to engage in this debate without a list. I have been handed a list but it is not the numbered list. Is the final list available?

**An Ceann Comhairle:** We do not have a numbered list.

**Deputy Róisín Shortall:** It is impossible to conduct a debate unless we have a final list with numbered amendments.

**An Ceann Comhairle:** There are no formal amendments, rather the section being opposed, apparently.

**Deputy Róisín Shortall:** We need a list of amendments for Committee Stage and we are entitled to that.

**An Ceann Comhairle:** There is none. The section is being opposed.

**Deputy Róisín Shortall:** I mean the amendments to the Bill. Can we have a list of the amendments to the Bill, a proper final list with numbered amendments, as is normally provided? I appreciate this has imposed huge strains on the staff in rushing the Bill like this and that the normal procedures were not adhered to. This is part of the reason we were seeking to give this Bill adequate time. The Minister is clearly not ready.

**An Ceann Comhairle:** The information which we believe the Deputy is looking for was circulated yesterday.

**Deputy Róisín Shortall:** Excuse me?

**An Ceann Comhairle:** The information was circulated yesterday.

**Deputy Róisín Shortall:** That is not the final list.

**An Ceann Comhairle:** The Committee Stage amendments are on the green sheet.

**Deputy Róisín Shortall:** That is not the final list; there are more amendments today. This is why there are Standing Orders in this House and deadlines.

**An Ceann Comhairle:** The Deputy does not have any amendments as such. She has notified that the section is being opposed.

**Deputy Róisín Shortall:** They should be included in a final list.

**Deputy Denis Naughten:** I agree.

**An Ceann Comhairle:** Amendments are not on the list. The Deputy has been provided with a list of the sections being opposed; I have a copy in front of me.



**Deputy Róisín Shortall:** This is no way to do business but this is no reflection on the staff whatsoever. This should have been dealt with properly and adequate time should have been provided.

**Deputy Denis Naughten:** The list which has now been circulated is the list that was circulated yesterday which is out of date as we know. On section 3 —

**An Ceann Comhairle:** The list is not out of date. It is important for the accuracy of the debate.

**Deputy Denis Naughten:** They are out of date. These were circulated yesterday and we have a white supplementary list of the sections being opposed.

**An Ceann Comhairle:** They are complementary to the information circulated yesterday and they only indicate the sections which are being opposed.

**Deputy Denis Naughten:** Amendments could have been submitted up until the completion of Second Stage but I do not wish to argue the technical aspects.

I oppose section 3 of the Bill because the cuts being proposed in section 3 are unjust. It is timely that the latest set of inflation figures were published subsequent to the budget. When the Minister for Finance came to the House on Wednesday he was working on the basis that annual inflation was running at 6.5%. The European measure of inflation which is a far more accurate measure shows that inflation is running at 2.8% which is 1.2% less than the cut in the social welfare budget introduced on Wednesday and 3.2% greater of a cut has been proposed this year when the Christmas bonus is taken into account along with the cut announced on Wednesday. These cuts are unjust and unfair, especially to carers, the disabled, blind people and it is morally wrong to introduce a cut of 6%. As my colleague, Deputy Kenny said, this is the first Minister in eight years who has introduced cuts to the most vulnerable in our society. The cuts before us fail to recognise the important role of carers in our community. Carers are people who give up work to care for an elderly or disabled person in the home thus saving the State approximately €40,000 a year and now having made that decision to commit to the long-term care of an individual, the Minister is cutting their payments.

I have two questions for the Minister. The adult dependant allowance for those under 66 years is being cut. In the case of a person in receipt of a contributory old age pension, is the adult dependant allowance for a spouse under 66 years also being cut? If this is the case it is a misrepresentation to say that pensioners are not being affected by these cuts because we know they are being affected by the withdrawal of the Christmas bonus.

The Minister referred on Second Stage to the issue of fraud. I have a letter dated 9 September 2009 relating to an applicant who was signing on for credits for jobseeker's benefit. In this letter of 9 September she has been told that the next date for signing on is 7 July 2010. I am informed the reason it is being dragged out for so long is because there is a backlog of these cases and overcrowding in the local offices and the person is not in receipt of a payment. The individual in question, who is a non-Irish European citizen, is receiving credits for entitlement to some of benefit payments at a future date. If the Minister is focused on fraud, how is it possible for a person to be told to sign on again in 11 months at which point he or she will be given credited contributions for the intervening period? This contradicts her argument that she is tough on fraud. It is frustrating for people to see the Minister cut basic payments to vulnerable people while turning a blind eye to fraud.

**Deputy Róisín Shortall:** In recent months, the Minister and her colleagues have repeated the mantra that their priority is to protect the vulnerable. While their media advice may be that

people will start to believe something if it is repeated sufficiently often, their mantra is a patent and blatant untruth. The Minister has not fulfilled her responsibility to protect the weakest. Even in difficult times, her predecessors fought their corner on behalf of the least well-off. Thousands of people look to the Minister to protect their incomes but she has clearly bought into the right-wing agenda of cutting the incomes of those at the margins. Rather than protecting the weakest, she has protected the richest, the millionaires, while allowing savage cuts to the incomes of the poorest.

People have been completely misled by the Government spin we heard before the budget. If the Minister had any shame, she would think again about the position she holds. Perhaps her title should change to “Minister for Corporate Welfare” because she has protected the corporate welfare system. People with large incomes and substantial wealth are being entirely spared. The Government continues to facilitate those who have stashed away large amounts of money in pension schemes or property based schemes to avoid tax. The Minister, in protecting the strongest and wealthiest and hitting those on the lowest incomes, is engaging in morally indefensible and unacceptable behaviour. Her job is to protect those on social welfare.

Economically, it is stupid to cut social welfare benefits because recipients cannot afford to save them and, by and large, spend every penny of their payment in local shops and on local services. This helps the economy. The Government is proposing to remove from the economy 4% of all social welfare payments while leaving untouched those who are best able to carry some of the burden, namely, people who can stash away or spend large sums abroad. This does little to help the economy. The Minister’s approach does not make sense economically.

The Minister referred to the consumer price index, CPI. While we are all aware of the headline CPI figures, it is necessary to drill down into them. For example, the figure changes significantly if one removes housing from the equation. Although people with mortgages have benefited from interest rate reductions, many of those in receipt of welfare benefits do not have a mortgage. For such persons, the deflation rate is, therefore, much closer to 3% than 6%.

The Minister decided to cut social welfare payments by 4%. In addition, the value of the payments has declined by 2% as a result of the abolition of the Christmas bonus. A significant number of social welfare recipients will also be hit by the increase in the threshold for the drug payments scheme. In real terms, the increase in costs from this measure is close to 2.5% because those affected by it will have to spend an additional €5 per week on medicines. Those in receipt of rent supplement will suffer a 4% cut. For a large number of recipients of social welfare payments, therefore, the cumulative effect of the cuts in payments will be approximately 12.5%. There is no defence for imposing a cut of in excess of 12% in the income of many social welfare recipients.

The Vincentian Partnership for Justice and other groups have done detailed research which shows that in most cases welfare payments are not sufficient to enable recipients, especially families with children, to live life with any kind of basic dignity. The reason we have a national anti-poverty strategy is to ensure Government Ministers should not introduce new proposals without first assessing how the proposals will impact on the poor. Every budget since 1998 has been poverty-proofed, as required under the national anti-poverty strategy. The Cabinet handbook states that memoranda for the Government involving significant policy proposals must indicate clearly the impact of the proposals on groups in poverty or at risk of falling into poverty. For the third time I ask the Minister to inform the House if she has complied with the requirement poverty-proof and assess the impact of these major proposals on people who are in poverty or at risk of poverty. Has this document been done and will she provide it?

**Deputy Arthur Morgan:** I oppose the section. Starting salaries for Deputies are approximately €100,100 per annum. This is the salary paid to me, as I have not received increments or other payments. After the 7.5% cut is applied to my salary, I will still be paid €92,500, subject to income tax and other deductions. The reduction is extremely modest when compared to what will happen to people who find themselves unemployed in future, particularly those aged under 24 years.

While I appreciate the correct decision by the Taoiseach and Ministers to take a further pay cut of 5%, the reduction should have been substantially higher. Parliamentarians in Australia, for example, are paid AU \$72,000 per annum. I am not sure of the precise exchange rate but understand this equates to approximately €50,000. Australia has a population of more than 21 million. As these figures show, Irish politicians are grossly overpaid and there is a case for making a substantial further reduction to their pay, certainly to €80,000 per Deputy per annum capped at €100,000. It is easier to target people earning in excess of €100,000 per annum than those with an income of €204 per week.

The proposition before us is disgraceful. I hope some of the Independent Deputies, prodigal sons or whatever they are called will rise up and reject the budget.

**Deputy Mary Hanafin:** Deputy Naughten asked about the position of a pensioner whose spouse is a qualified adult aged under 66 years. The rates for qualified adults, whether aged over 66 or under 66 years, have been protected. My statement that pensioners have not been affected by the budget is, therefore, true.

Deputy Shortall asked about a poverty impact assessment. An assessment is being done. The Combat Poverty Agency always published it within a few days of the budget. That is now being done within the Department and it will be published.

**Deputy Róisín Shortall:** The Minister does not understand what we are saying. Every year in the Budget Statement, there is a report from the social inclusion unit of the Department on the poverty proofing of the budget. It is published with the budget every year. Where is that document this year?

**Deputy Aengus Ó Snodaigh:** In the bin.

**Deputy Róisín Shortall:** Where is it? Has it been done?

**Acting Chairman (Deputy Seán Ardagh):** If the Deputy sits down the Minister might respond.

**Deputy Mary Hanafin:** It is being prepared and will be published in the next few days.

**Deputy Róisín Shortall:** Why is it not included in the Budget Statement? The poverty proofing of the budget is always at the back of the Budget Statement. Where is it? Did the Minister forget about it this year?

**Deputy Aengus Ó Snodaigh:** It is a nine eleven document. It is hidden.

**Acting Chairman:** The Minister has already responded. She stated it was being prepared.

**Deputy Róisín Shortall:** Why is it not included in the Budget Statement this year? That has been the normal practice since 1998. I suspect from the Minister's reply that she does not know what we are talking about.

**Deputy Mary Hanafin:** I do.

**Deputy Róisín Shortall:** Why did the Minister state that the Combat Poverty Agency brings it out afterwards? Are you aware of what we are talking about?

**Acting Chairman:** Deputy Shortall should speak through the chair, please. I will ask the Minister to respond afterwards.

**Deputy Róisín Shortall:** I am flabbergasted because clearly the Minister does not know what we are talking about. She does not realise that under the requirements of the Cabinet handbook every year since 1998 the budget is poverty-proofed officially by the social inclusion unit within the Department. The report of that poverty proofing exercise and the assessment of the budget in terms of the impact it is likely to have on people in poverty or at risk of poverty is included in the budget as part of the official documentation. Clearly, she does not realise this has been the practice.

**Acting Chairman:** Please refer to the Minister.

**Deputy Róisín Shortall:** Clearly, the Minister does not realise that has been the practice for the past 11 years. Why was it not done this year, when the budget has a vastly negative impact on people living in the margins, the most vulnerable people whom the Minister promised she would protect? Where is it? Has the Government completely forgotten about it this year?

**Acting Chairman:** I understand the Minister has responded.

**Deputy Mary Hanafin:** Yes. I am well aware of what the Deputy is talking about. The poverty impact assessment is being prepared by the social inclusion unit of my Department which has incorporated the Combat Poverty Agency, as I indicated already. It is being prepared and it will be published over the next few days as has always been the case.

**Deputy Seán Sherlock:** That is not what the Minister indicated.

**Deputy Róisín Shortall:** That is not what you stated earlier.

**Deputy Mary Hanafin:** It is.

**Acting Chairman:** Deputy Shortall must speak through the Chair in a formal way. Otherwise, the debate will get out of hand and become somewhat personal. I would prefer if that did not happen.

**Deputy Róisín Shortall:** The Cabinet handbook states that memoranda for Government involving significant policy proposals must indicate clearly the impact of the proposals on groups in poverty or at risk of falling into poverty.

**Deputy Michael D. Higgins:** That is the requirement.

**Deputy Róisín Shortall:** This is not done some days or weeks after the budget. It is done when the budget is going to Cabinet. Along with the memoranda for Government, there is a requirement that a poverty proofing document be prepared on any proposal such that the Cabinet can assess the impact of such proposals on people living in poverty. Was that done or not?

**Deputy Denis Naughten:** I will follow from Deputy Shortall's remarks. Will the Minister clarify if the poverty proofing document was presented to Cabinet? Was the Cabinet in the position that it made a decision on the details of the budget without such information being made available?

**Deputy Seán Sherlock:** I wish to be helpful to the Minister and in no way to appear facetious, but the process was instigated by the former Minister for Social Welfare, Proinsias de Rossa.

**Deputy Michael D. Higgins:** I will be brief because we should get to as many amendments and sections as possible. At the time of the establishment of the Combat Poverty Agency I was a Member of the Oireachtas. I observed and was involved with the evolution of poverty proofing while working in the area of social policy. The purpose of the poverty proofing exercise that made its way into the Cabinet handbook was such that as the budget was being prepared the Government would be able to test the impact of a proposal on the affected or vulnerable group. That is totally different from preparing a descriptive scheme after the fact. The essence of the original Combat Poverty Agency proposal was to test the impact before it happened. Therefore, to suggest there will be a description some days after the budget leaves open the question of whether the principle has been sacrificed. It is a fact that since 1998 poverty proofing, in accordance with the Cabinet handbook, has been integral to the budget. It was the evidence that the budget had been so tested. There is a real difference and this requires an explanation, especially in a budget with such an impact on the very groups to which the handbook refers, namely, those in poverty and threatened with poverty.

**Acting Chairman:** The Minister has already responded.

**Deputy Denis Naughten:** She has not. I put a very specific question. Was the document provided to Cabinet? Did it have the document available when the decision was being made?

**Acting Chairman:** The Minister has already responded.

**Deputy Denis Naughten:** No she has not.

**Deputy Mary Hanafin:** The Cabinet considered all elements of this budget including the impact it would have. We considered not only the rates and value of cuts in respect of social welfare but changes in other Departments that might impact on the same people. We also took into account the consumer price index, CPI, figures. I accept that not everyone has benefited in the same way from the change in prices. An analysis was carried out by the Department of Finance in respect of the decrease in prices during the year and how it has affected people. We examined that analysis carefully. The analysis suggested the CPI fell for retired households by 3.25%, one of our considerations in making decisions in respect of pensioners. Prices decreased by 5.75% for unemployed households and 7.5% for working households. Although the analysis shows the highest income people have benefited more from the drop in prices, the lowest income people have also benefited greatly from it. We considered the matter very carefully to establish the position in respect of the increases of 3.5% for this year. The process was carried out very carefully across Departments to establish the impact. Nevertheless, we found ourselves in the position of having to make these proposals.

**Deputy Róisín Shortall:** The Minister has not replied to the questions put. We are within our rights to ask the Minister specifically about the fact that a document which normally appears and is published with the Budget Statement has not appeared this year. It is not only our right to ask the Minister. She is required to produce it under the national anti-poverty strategy.

**Acting Chairman:** The Deputy should use the phrase, "The Minister is required..."

**Deputy Róisín Shortall:** The Government is required to produce it. When the matter was raised this morning by Deputies Jan O'Sullivan and Gilmore, the Tánaiste and other senior Ministers were in the Chamber. They were stunned because clearly they were not aware of the

requirement. Now, the Minister for Social and Family Affairs has confirmed she is equally ignorant of the requirement to produce this document, because she has provided the House with some blather about something being done after the event. The Cabinet handbook is very specific about the requirements under the national anti-poverty strategy. It is not simply a matter of considering it. A statement of the likely impact on those at risk of poverty must be provided.

**Deputy Michael D. Higgins:** Yes.

**Deputy Róisín Shortall:** This is a requirement of the Cabinet and it relates specifically to the Minister for Finance, the person who produces the budget. Under the national anti-poverty strategy, the Minister is required to produce a statement which amounts to a poverty proofing of his proposals. That statement must follow the guidelines set down by the social inclusion unit of the Department of Social and Family Affairs. Was that statement produced? Did the Minister for Finance know that he was required to produce that? Did the Minister for Social and Family Affairs realise that such a document was required? It is clear from her response today that she does not seem to have been aware of that. Given that the Minister is not in a position to answer the question, can we take a short break or can the Minister arrange for the Minister for Finance to be asked that specific question, whether he has complied with the requirements of the Cabinet handbook under the national anti-poverty strategy to produce a document, a statement setting out the likely impact of his budget proposals on those at risk of poverty?

**Deputy Mary Hanafin:** As I indicated, the Cabinet discussed the matter in full. We were well aware of what would be the impact and we were satisfied that the adjustments that were being made——

**Deputy Róisín Shortall:** Is there a statement?

**Acting Chairman:** One moment. Deputy Shortall can respond when the Minister has completed her reply.

**Deputy Mary Hanafin:** We were satisfied that the adjustments being made to social welfare were being kept to a minimum——

**Deputy Róisín Shortall:** That is not good enough.

**Deputy Mary Hanafin:** ——in order to ensure that we did not have a serious impact on poverty. The assessment will be published in the next few days.

**Deputy Róisín Shortall:** Says who? It is not acceptable for the Minister, Deputy Hanafin, to say they are satisfied that the proposals do not impact on the poor. That is not good enough. The Minister cannot get away with that. She is required to produce a statement.

**Acting Chairman:** I again ask Deputy Shortall to please speak through the Chair and not to personalise her remarks.

**Deputy Róisín Shortall:** I beg your pardon. I reiterate, the Government is required to produce a statement. It is not a matter of the opinion of the Minister, Deputy Hanafin, or any other member of the Cabinet. The Cabinet is required to produce a statement outlining the likely impact of the budget proposals on those living in poverty or at risk of poverty. Has the Cabinet complied with the requirements in the Cabinet handbook?

**Acting Chairman:** The Minister has responded. I am now putting the question.

**Deputy Róisín Shortall:** No. I am sorry, a Chathaoirligh. I have asked a reasonable question about whether the Cabinet has complied with the requirements in the Cabinet handbook. Is there a statement?

**Acting Chairman:** The Minister has responded to that question.

**Deputy Róisín Shortall:** No.

**Acting Chairman:** She has responded to all of the debate. I am putting the question, that section 3 stand part of the Bill.

**Deputy Róisín Shortall:** A Chathaoirligh.

**Acting Chairman:** Those in favour say “Tá”.

**Deputy Mary Hanafin:** Tá.

**Deputy Róisín Shortall:** I am sorry, a Chathaoirligh——

**Acting Chairman:** Those against, say “Níl”.

**Deputies:** Níl.

**Acting Chairman:** I think that the question is carried.

**Deputies:** Vótáil.

Question put.

The Committee divided: Tá, 80; Níl, 74.

Tá

Ahern, Dermot.  
Ahern, Michael.  
Ahern, Noel.  
Andrews, Barry.  
Andrews, Chris.  
Ardagh, Seán.  
Aylward, Bobby.  
Brady, Áine.  
Brady, Cyprian.  
Brady, Johnny.  
Browne, John.  
Byrne, Thomas.  
Calleary, Dara.  
Carey, Pat.  
Collins, Niall.  
Conlon, Margaret.  
Connick, Seán.  
Coughlan, Mary.  
Cregan, John.  
Cuffe, Ciarán.  
Cullen, Martin.  
Curran, John.  
Dempsey, Noel.  
Devins, Jimmy.  
Dooley, Timmy.  
Fahey, Frank.  
Finneran, Michael.

Fitzpatrick, Michael.  
Fleming, Seán.  
Flynn, Beverley.  
Gogarty, Paul.  
Gormley, John.  
Grealish, Noel.  
Hanafin, Mary.  
Harney, Mary.  
Haughey, Seán.  
Healy-Rae, Jackie.  
Hoctor, Máire.  
Kelleher, Billy.  
Kelly, Peter.  
Kenneally, Brendan.  
Kennedy, Michael.  
Killeen, Tony.  
Kitt, Michael P.  
Kitt, Tom.  
Lenihan, Brian.  
Lenihan, Conor.  
Lowry, Michael.  
McEllistram, Thomas.  
McGrath, Mattie.  
McGrath, Michael.  
McGuinness, John.  
Mansergh, Martin.  
Martin, Micheál.

Tá—continued

Moloney, John.  
Moynihan, Michael.  
Mulcahy, Michael.  
Nolan, M.J.  
Ó Cuív, Éamon.  
Ó Fearghail, Seán.  
O'Brien, Darragh.  
O'Connor, Charlie.  
O'Dea, Willie.  
O'Flynn, Noel.  
O'Hanlon, Rory.  
O'Keefe, Batt.  
O'Keefe, Edward.

O'Rourke, Mary.  
O'Sullivan, Christy.  
Power, Peter.  
Power, Seán.  
Roche, Dick.  
Ryan, Eamon.  
Sargent, Trevor.  
Scanlon, Eamon.  
Smith, Brendan.  
Treacy, Noel.  
Wallace, Mary.  
White, Mary Alexandra.  
Woods, Michael.

Níl

Allen, Bernard.  
Bannon, James.  
Barrett, Seán.  
Behan, Joe.  
Breen, Pat.  
Broughan, Thomas P.  
Bruton, Richard.  
Burke, Ulick.  
Burton, Joan.  
Byrne, Catherine.  
Carey, Joe.  
Clune, Deirdre.  
Connaughton, Paul.  
Coonan, Noel J.  
Costello, Joe.  
Coveney, Simon.  
Crawford, Seymour.  
Creed, Michael.  
Creighton, Lucinda.  
D'Arcy, Michael.  
Deasy, John.  
Deenihan, Jimmy.  
Doyle, Andrew.  
Durkan, Bernard J.  
English, Damien.  
Feighan, Frank.  
Ferris, Martin.  
Flanagan, Charles.  
Flanagan, Terence.  
Gilmore, Eamon.  
Hayes, Brian.  
Hayes, Tom.  
Higgins, Michael D.  
Hogan, Phil.  
Kehoe, Paul.  
Kenny, Enda.  
Lee, George.

Lynch, Ciarán.  
Lynch, Kathleen.  
McEntee, Shane.  
McGinley, Dinny.  
McGrath, Finian.  
McHugh, Joe.  
McManus, Liz.  
Mitchell, Olivia.  
Morgan, Arthur.  
Naughten, Denis.  
Neville, Dan.  
Ó Caoláin, Caoimhghín.  
Ó Snodaigh, Aengus.  
O'Donnell, Kieran.  
O'Dowd, Fergus.  
O'Keefe, Jim.  
O'Mahony, John.  
O'Shea, Brian.  
O'Sullivan, Jan.  
O'Sullivan, Maureen.  
Penrose, Willie.  
Perry, John.  
Quinn, Ruairí.  
Rabbitte, Pat.  
Reilly, James.  
Ring, Michael.  
Shatter, Alan.  
Sheahan, Tom.  
Sheehan, P.J.  
Sherlock, Seán.  
Shortall, Róisín.  
Stagg, Emmet.  
Stanton, David.  
Timmins, Billy.  
Tuffy, Joanna.  
Upton, Mary.  
Varadkar, Leo.

Tellers: Tá, Deputies Pat Carey and John Cregan; Níl, Deputies Paul Kehoe and Emmet Stagg.

Question declared carried.

SECTION 4.

Question proposed: "That section 4 stand part of the Bill."



**Deputy Denis Naughten:** I oppose section 4 because of the unjust cuts proposed to all social assistance payments. We are talking about a 6% cut this side of Christmas, and after Christmas, to social assistance payments to those under the age of 66 and yet Ministers are only taking an additional 5% cut in their salaries. The types of cuts proposed for the most vulnerable people in society are immoral. It is disgraceful admission by the Government that the policy-proofing document, which should have been provided to the Cabinet prior to making and signing off on this decision, was not presented to it.

Will the Minister respond to an issue which has come to my attention in regard to the carer's allowance and the free travel scheme? I have a constituent who is in receipt of the carer's allowance for a child under the age of 16 but over the age eight. While the carer gets the free travel pass, the child does not and the carer must pay for the child to attend hospital in Dublin four times each month. Since the costs involved would be minuscule, surely an amendment could be made to the free travel scheme when it comes before us next year to deal with that limited number of cases

**Deputy Róisín Shortall:** In regard to people who depend on social assistance payments, the scale of the cuts contained in the Bill are completely acceptable. The Government had choices about how it would make the savings of €4 billion. There was no need to hit people on the lowest incomes. The Government could have required those who are very well off, in particular millionaires, to make a contribution and share the burden in terms of balancing the books.

The Labour Party set out in detail how the Government could have done that, including ending the property reliefs available, the over-generous reliefs for pensions for millionaires and addressing the prospect of a third rate of tax for high earners. The Government had choices and the Minister for Social and Family Affairs, along with the rest of the Cabinet, chose to hit the most vulnerable rather than the better off or the millionaires who could have made a significant contribution to bridging the €4 billion gap. It was a conscious decision by this Government to hit the weakest and attack the vulnerable, which is utterly unacceptable on any level.

Given that the Minister has had an opportunity to speak to the Minister for Finance, will she clarify the reason we have not received a statement on the impact of this budget on the poor?

**Deputy Dinny McGinley:** I have a short time in which to speak to the issue. I have been here for many years and it is the first time we have had to address a section of a social welfare Bill where we are taking money from people. Of all the cutbacks in the area, the most severe are the withdrawal of money from the visually impaired and, in particular, the half carer's allowance.

I had a mother from my constituency on to me yesterday with a cry from the core of her heart. This woman, a widow, is looking after a son who eight years ago had a serious road accident as a result of a brain haemorrhage. The man was 30 at the time and is almost 38 now, and he lives on his island home with his mother, who looks after him 24 hours a day, 365 days a year. The man comes to Beaumont Hospital now and again; he spent 40 days at the hospital last summer. His mother accompanied him across the waves to Dublin and sat by his bedside in the hospital holding his hand day and night.

He is a brilliant man, the eldest, who helped his mother raise the rest of his family. They all have jobs now but he was the main breadwinner when his father died. The only person who this 38-year-old man can communicate with is his mother. I know these people and I was in the hospitals in Letterkenny and Beaumont when he was there. I hope to see him within the next week again.

The woman was in touch with the Department and got a very sympathetic hearing from whoever was there, although she wanted to speak to the Minister. She understands the difficulties and pressures felt by the Minister as well. I told the woman I would try to be her voice in Dáil Eireann today, when I would have the opportunity to put the case before the Minister. She is providing a service and it was a terrible knock to her the day before yesterday when she was told that her half carer's allowance was to be reduced. She told me it was not about the money she would lose, be it €4 or €5, although she could do with every euro she could get. She told me that what she has been doing for eight years does not seem to get any recognition or sympathy from anybody.

**Deputy Michael Creed:** She is saving the State money.

**Deputy Dinny McGinley:** The care and dedication that woman has shown to that man is something only a loving mother could provide. If that boy was in hospital, it would cost the State hundreds of thousands of euro per year, and it would have cost €1 million over the course of the eight years. The consultant in Beaumont, who I will name to the Minister in private as I do not want to give names in the House, said that the man would have been dead years ago if not for the mother's loving and tender care.

**Deputy Mary Hanafin:** Is she over 66?

**Deputy Dinny McGinley:** She is under 66. We often overlook this area. I know this woman and her family and there are probably many such examples throughout the country. There is an 82-year-old grandmother in my constituency whose grandson had a serious accident a year and a half ago. He is a young boy not yet 20 but he cannot talk, walk, eat or anything else for himself. That woman is lucky because although she is giving the same kind of care as the first woman, she will not lose anything because she happens to be 82 years old. There is a discrepancy.

However, I told this Donegal mother that I knew the Minister very well and that she is humane and does not have a heart of stone. She comes from a good Christian family and I know her parents. I do not say this in a patronising fashion. I do not think the Minister would take this action deliberately against that woman. I told her if I had the opportunity during the debate of this Bill to put that simple case to the Minister, I would do so.

It is not the money that worries the woman but the fact that her dedication over the course of the past eight years, no matter whether her son is in Donegal or the hospitals in Letterkenny and Dublin, is not recognised. She is by her son's side. To put it mildly, it is very cruel for her to be deducted the €4 or €5 per week. She will continue caring for her son anyway and will never let him go to hospital. He will get the care which she gives in a professional manner; that has been recognised in every hospital from here to Donegal, including the one in Dublin.

I am very concerned about this and I know the Minister will demonstrate concern also. I do not know if the Minister can do anything about this but perhaps we can propose an amendment to the Bill. A mother of such dedication, or a parent or carer who has given that amount of time, care and nursing to people who cannot communicate or do anything for themselves, should not have the allowance cut. This House would not be living up to its reputation as a humane place or a democracy if we deprived that woman of these €4 or €5.

Ultimately, she wants some recognition for what she and others like her are doing. Only mothers give tender and loving care like this. I am thankful for the opportunity to put this on record. There is a discrepancy and perhaps the Minister will have the opportunity to put it right. This woman was on to the Department yesterday and very well received by whomever she spoke to, although she was emotional. Anybody who knew the case would also be emotional.

**Deputy Aengus Ó Snodaigh:** This is one of the more odious sections of the Bill and should not be taken on its own. The effect is to substantially cut the payments of jobseekers, in particular, who are under 24 or 25. It also deals with the new rates for one-parent families, carer's allowance and the blind pension. I mentioned in contributions last night and earlier that the effect will be to drive people into poverty. There are many organisations which are set up to help people who are down on their luck or who have not had the required social investment and must avail of services of community groups or other groups set up to help them.

As news of the budget spreads, we will witness the full effects. Most journalists have not recognised the scale of the cuts. I received telephone calls, e-mails and so on all morning from project administrators in my area who have been informed by the Department of Education and Science that their funding will be cut next year. These include a family project on James's Street and Familiscope in Ballyfermot. Virtually every mainstream drugs project in receipt of funding from that Department has been informed it will suffer a 28% cut next year.

These groups have helped those who depend on social welfare to bridge the gap for many years. The poorest of the poor and the most disadvantaged are not only being kicked around by the Government through social welfare cuts but the projects on which they have depended to help them overcome years of non-investment are also being tackled. Great work has been done, and is planned, under the RAPID programme but its budget has been cut by 25% for 2010.

The new rates for social welfare recipients are outlined in section 4 and the Schedule. In some cases, those who become redundant or who cannot source employment are being asked to survive on €100 a week. By contrast, the remuneration of the chief executive officers of semi-State companies in 2007 was as follows: Bord na Móna, more than €300,000; An Bord Pleanála, more than €220,000; CIE, €270,000; ESB, more than €500,000; Enterprise Ireland, more than €200,000; Coillte — the planting of trees justifies a salary of €400,000, which is absolute madness——

**Deputy Seán Sherlock:** A sum of €400,000 plus.

**Deputy Aengus Ó Snodaigh:** I have not mentioned the bonuses these people have enjoyed. That is the Government's fault, not theirs because they do not set the high level of remuneration. The Dublin Airport Authority was only established by the House a number of years ago, yet the chief executive officer earns almost €700,000. We know about FÁS because it has been in the news.

**Deputy Michael Creed:** We do not know it all yet.

**Deputy Aengus Ó Snodaigh:** We have not heard everything. We recently heard about the nice bonus Professor Drumm of the HSE was paid on top of his generous salary. The chief executive officer of the Irish Aviation Authority has an annual salary of €350,000 while the national lottery chairman receives €280,000 a year. An Post will cut 1,300 jobs shortly while the chief executive officer earns €414,000 per annum to put people on the dole. If they are aged under 24, they will receive jobseeker's benefit at a rate of €150 per week or €100 a week if they are aged under 21. That is a disgrace and that is the scandal of this Bill.

**Deputy Seymour Crawford:** I strongly oppose this section. It must be recognised that if it was not for the late Ernest Blythe cutting the old age pension 80 years ago, for which he has been condemned by Fianna Fáil ever since, the old age pension would have been cut by the Government. These cutbacks are even worse. Elderly people are reasonably well off in comparison to others. However, a widow with three young children who has a part-time job will

suffer multiple cutbacks. Unless one has lived with a social welfare recipient, one will not understand. I lived with my mother, who was blind, for six years before her death. The fact that the payment to the visually impaired is being cut in the Bill to allow Anglo Irish Bank to be bailed out on behalf of builders, developers and bankers is extremely sick.

Will the Minister rethink these cutbacks? The weakest in our society, including the disabled, the handicapped, the carers, the blind and the widows will bear the brunt of the budget. I support the comments about young people. Fine Gael said their payments should be cut if they refused to take up employment or a training place but the Minister is providing that their payment will be cut regardless. She should examine how she can at least avoid cutting the payments of the worst off. I refer to a young man I know who is in a wheelchair. His allowance will be cut and his mother, who is a carer, will also suffer a cutback. She is a long way off 65 years and she needs some sympathy.

**Deputy Seán Sherlock:** If those on jobseeker's benefit aged under 24 are residing with their parents, will there be a *pro rata* cut to reflect the parents' means? I have received more and more calls from parents whose sons or daughters recently left college and are living at home. They have a high dependency on the parental income to give them spending power. How will they be affected?

The reduction in income for claimants in this category will have a detrimental effect because the Minister's announcement about additional training places has not been set out in concrete form. We do not know what shape the places will take or whether a demographic or qualitative study has been conducted as to who in this category would slot into the places. We do not know how they will slot in or what type of course they will take up. This is ill thought out. The overarching philosophy of the Minister was to drive a coach and four through those who most need that marginal income without any thought or lateral view of how this might impact on them. Will the Minister outline how this cut will affect those people if their parents' income is above a certain level? I fear for them. For example, if a parent who works in the public sector has an income up to €40,000 per annum and has a son or daughter who has just graduated, it is most likely that son or daughter is now living at home because he or she cannot get a job. If that graduate son or daughter cannot find an adequate training place because, as has been stated, he or she is over qualified for the training position, will he or she now be penalised through a reduced payment because of refusing a training place? What negative effect will this have on their income if they live at home. These are issues of concern. In talking about active labour market mechanisms for people who are under the age of 25, the Minister should have thought a little more laterally about putting some well thought out schemes in place before effecting a cut.

**Deputy Martin Ferris:** The content of the budget delivered here on Wednesday has sent shock waves through those in the lower economic dependent sector of the State. The people affected drastically are those most in need. When one looks to a Government, no matter who is in Government, one looks for fairness, honesty and a sense of belonging. Significant trust is placed in those in positions of responsibility and we trust they will deliver fairness and equality for their people.

At some stage in our lives, all of us were inspired by the Proclamation of 1916, which expressly declared that the State would cherish all the children of the nation equally. I do not direct my comment personally at the Minister, but at the Government. It has totally betrayed the content of the 1916 Proclamation. The men and women who fought for equality and freedom for our country paid a huge price. They gave their lives and gave up everything they had and trusted us to live up to the Proclamation of the Irish Republic to cherish all the children of the nation equally. The Government, however, has discriminated against those most in need.

[Deputy Martin Ferris.]

It has discriminated against people dependent on invalidity pensions, illness benefit, blind person's pension, payments to one-parent families, carer's allowance, guardian payments and on non-contributory widow's and widower's pensions. It has discriminated against the most vulnerable in our communities. It has exacerbated an already drastic situation for people in need.

All of us work in our communities, as elected representatives should. Most of my work and that of my colleagues is in areas of most need, areas that are socially deprived and that have been abandoned by the systems of the State. These people have been discriminated against from a young age because of being part of a poor family. They are condemned to poverty by the type of system that ensures they will never have a proper, full education and will never let them realise the potential every child is gifted with at birth. The Government is now making matters worse for those who live on low incomes who depend on unemployment benefit and on the State. A Government should be judged on how it treats its citizens, in particular those who are most vulnerable. If that is the criteria, the Minister and the Government have failed miserably.

I wonder whether anybody in Government comprehends what it means to be dependent on farm assist. Farmers have struggled continuously, particularly small farmers who have been the soul and backbone of the country for generations. Irrespective of what part of the country Deputies come from, their roots go back to rural Ireland and to the small farmer communities. The small farmer community has survived without hand-outs. A few weeks ago I met a person from my parish who has seven cattle and who gets REPs payments of approximately €2,500 to €3,000 per year. At best, his income is less than €5,000 a year. When this was brought to my attention, I went to meet him. He shops less and has cut back on living expenses. He does not socialise and cannot go out and has lived that way for years now. The only communication he has on a regular basis is with his dog. That is what is happening in the rural community. We are struggling to get farm assist for this man. I am sure we will get it for him, but there is a significant backlog because so many people are so deprived economically.

On Wednesday, we saw, probably, the most disgraceful budget ever seen. We have all lived through the Celtic tiger, but that tiger did not help the small farmer, fishermen or people dependent on unemployment benefit. They are not unemployed by choice, but because unemployment was forced on them. More and more people are becoming dependent on the State to survive. What are we doing about that? My colleague read out earlier the incomes of CEOs. We saw sleight of hand in the budget with regard to the incomes of Ministers and junior Ministers. We were informed they took a 15% cut when, in reality, all they suffered was a 5% cut. The Government could not even be honest about this. At the same time it is taking over 4% from the unemployed. This is a significant amount to take from those with very little. Even if it was a 15% cut for Ministers, which it was not, that would be as nothing for those earning between €100,000 and €200,000 a year.

The system in this State operates to discriminate against the poor, those in need and those dependent on assistance. Neither the State nor the Government have any concept of what it is to be part of the marginalised poor, who are now becoming a bigger constituency here. The poor do not matter to the Government as most of them do not vote. This is how it appears the Government is operating currently. Its concerns are for the wealthy and those with money, people who exploited others to get that money with which they can control the political system. How much influence has the tent at the Galway races had on consecutive Governments, and, in particular, on the main party in the current Government?

I would like to quote from the principles of ethical conduct, as outlined by the Standards in Public Office Commission:

A successful ethics regime is one which provides mechanisms whereby the sensitivities of political/public life can be handled, where competing interests can be reconciled and where individual legislators/executives can be guided in their difficult decisions by reference to the general principle that the public interest should always take precedence over the interests of the individual and, perhaps more important, over the interests of a political party whether in power or in opposition.

These are the guiding principles of every person in the Government. Does that principle state that we can give huge salaries to CEOs such as Professor Brendan Drumm, while we take €8 per week off somebody who is living on €208? Are these the principles that guide the ethics of this Government? Reading the budget that has been presented to us, there is no doubt that such is the case.

The Government has betrayed the principle of ethical conduct. More important, it has betrayed the poor and the marginalised people in our society and in our communities. It has propped up and supported the big fat business class, the developers and the bankers. It has condemned future generations to pay off these huge debts in order to facilitate those who control the political system in this State, be it Mr. Tony O'Reilly's media empire, bankers or developers. This State has descended into providing power where the wealth lies. This power is provided at the expense of those at the lower rungs of the ladder, who act as cannon fodder to provide what is necessary in order to keep those fat cats in the style to which they are accustomed.

The Government has no mandate whatsoever to do what it did last Wednesday. It was not elected to penalise the poor. It was not elected to discriminate against those most in need. It was elected to be fair, honest and true to our people and their equal rights. Unfortunately, it has betrayed everything it was supposed to stand for. There is only one resolution to what is happening. The honourable thing to do would be to step down and let the people decide who they want to lead them through these most difficult times, which were created by the political establishment of this State.

Many of us are lucky enough to have children and grandchildren. The Government and the establishment have condemned them to decades of hardship to pay for what has been inflicted on them. The debts inflicted on them have been inflicted by the failed policies of this Government and the failed policies of rampant capitalism. The Government has looked after the wealthy and let the poor go to hell.

**Deputy David Stanton:** In 2004, the National Disability Authority and Indecon carried out research into the cost of disability payment. They maintained at the time that there was an additional cost of living payment for people with disabilities of about €40 per week. They recognised that a person with a disability has more costs, because he or she needs extra heating, extra clothes and possibly a special diet and so on. Since then, organisations such as the Disability Federation of Ireland have been lobbying for this payment for the special cost of disability. Instead of giving these people more, the Government has decided to reduce the payment by €8.30 per week, which is about €431 per annum. It does not seem like much, but for a person on €10,000 per annum, it is a lot. This is particularly the case when an advisory body set up by this House to advise on disabilities decided that an extra payment was needed.

Did the National Disability Authority give any advice to the Government? Was it asked for any advice on the impact of reducing this payment to people with disabilities? If this has not happened, does the Minister have any intention of consulting with the National Disability Authority on the impact of these cutbacks on people with disabilities, carers and so on? Many of these people are housebound and they are in need of support rather than being attacked.

[Deputy David Stanton.]

Carers are often looking after these people, and their payment is also being cut. It will make it very difficult for people who are already on the edge. Many of these people with disabilities may have to go into institutions such as nursing homes and hospitals. This will be at an increased cost to the State, not at a reduced cost. I implore the Minister to look at this again. I will not be supporting this cut. It would have been bad enough to leave it as it was, but to reduce it is appalling. These people have already lost the Christmas bonus and many of them have seen rent supplement reduced. The Government also closed down the Combat Poverty Agency, which was an independent body that commented on issues like this.

People with disabilities are two and a half times more likely to be unemployed. The Minister for Finance has told us that anybody under 65 can get a job and supplementary income. That is not possible for many people with a disability. This is one particular group of people that has been singled out by the Government. Either Fianna Fáil is completely in the pockets of very wealthy people who have got off scot free, or else the country is in such a bad way that we are going down the Swanee very quickly. This Government has been in charge for the last 12 years, so it is responsible for that. We seem to be dealing with heartless Ministers and a heartless Government, but I appeal to anybody in Fianna Fáil with a conscience not to cut payments to people with disabilities such as blind people, many of whom have barely enough to continue.

The Minister for Justice, Equality and Law Reform shouted across the floor of the Chamber this morning that we opposed increases. We did not oppose the increases given by the former Minister, the late Seamus Brennan. We worked with him and supported him in much of what he did. We encouraged him to bring forward a policy to deal with young carers. That has not happened. These are children working at home caring for adults and others with disabilities. There has been no policy from the Government on this, nor on cohabitation, even though policy was promised on it years ago. These cuts are retrograde and I implore that they be rescinded.

**Deputy Bernard J. Durkan:** I am reminded of Harold Wilson's phrase that a week is a long time in politics. A year is longer again and two years must be equal to an eternity. Two years ago, this Government was telling us that the country was fine. It repeated the mantra that the economic fundamentals were sound. We were told that we had a bright future. Something must have happened in the meantime, because the first soundings we heard in the long grass were that the public sector was a problem and had caused a serious dent in that economic boom.

Things have since moved on to the unemployed, including those who had never been unemployed in their lives. People with disabilities — such as those in wheelchairs — their carers and those who provide support services with disabilities are suddenly in the eye of the storm and are apparently to blame for what went wrong.

I appeal those Members of both parties in government who struggled manfully with their consciences in recent weeks — the finally overcame them at the last moment — to reconsider matters. When they sit down to eat dinner on Christmas day, they should think about what they have done to the most vulnerable at this particularly difficult time. Is it really being stated that those to whom I refer caused the bubble to burst? Previously, those in the public service were blamed in this regard.

There is another group of people, some of whom have been made unemployed for the first time and others who have yet to become unemployed, that is now being targeted. A decision has been made to the effect that if certain individuals have not been poor before, then those in power are going to work at making them poor. It appears that those in power intend to take pleasure in doing this. Every Member on the Government side who contributed on Second

Stage indicated that they intend to vote in favour of the budget and this Bill because that is the right thing to do. On what basis is it the right thing to do? Is it because the people who have become the victims are to blame? Did they cause the difficulties in which we find ourselves?

We have been continually informed that social welfare payments here are higher than those which obtain in Northern Ireland or the UK. The Government has responsibility in this regard. After all, it was the Government which increased the rates of pay. People who are unfortunate enough to be on social welfare did not launch a campaign in order to obtain a bigger slice of the cake. It was the Government which increased the rates of payment. It is ironic that the Government is informing those to whom I refer that they may have had good times in the past but that those good times are gone. It is also stating that if people were of the view that they might enjoy good times again in the future, it is going to ensure that this will not be the case.

The Acting Chairman is a right-thinking and fair man. It must, therefore, seem a complete contradiction to him that in a society in which we have tried to be fair and honest to all the people and to treat all of the nation's children equally, it has suddenly been decided that the banking system must be protected, shored up and allowed to continue as before. The Acting Chairman soldiered in the same trenches in respect of this matter in the past. We recall the guarantees provided by those in the banking sector and we know that as soon as the latter left the building, the guarantees were forgotten. That is one of the sad aspects of all of this.

The saddest aspect is that those in the banking sector seem to have been rewarded. They received a pat on the back and a nod of approval rather than a rap on the knuckles. The old system of salaries has been retained. Why would that not be the case? These are important people who have done no wrong. What wrong have the unemployed, widows or people with special needs done? Why are they being punished. Where stands the concept of fairness in our Constitution?

The Members opposite who repeatedly and resolutely stated on Second Stage that they want to vote in favour of the budget — which contains the impositions to which I refer that will affect people who, with every day that passes, are becoming increasingly victimised — should carefully reconsider their position. Christmas is supposed to mean something to everyone. They should not allow Christmas to pass without once again struggling with their consciences. Perhaps on this occasion they might manfully overcome them and side with the people who will be made poor by this horrific budget and the Social Welfare and Pensions (No. 2) Bill.

**Deputy Arthur Morgan:** I am completely opposed to this section. I agree with Deputy Ó Snodaigh that it is probably the most odious section in the Bill.

Do the Minister of State, Deputy Calleary, and his colleagues on the Government benches — and the six Independents or whatever one might call them who are going to support the Bill — believe it is fair and reasonable to cut approximately €35 per month from the blind pension and of the order of €100 per week from young unemployed people who are on jobseeker's allowance? Do they think this is reasonable when Ministers are being paid approximately €200,000 per annum? Is it reasonable that when cuts are being imposed on low-income earners, Ministers' pensions are continuing to grow? Given that Oireachtas pensions are probably worth over €50,000 per annum and ministerial pensions are probably worth a further €70,000 per annum, Ministers are being well paid for the deeds they are perpetrating in this House. It must be remembered that the members of the Cabinet who are also teachers will receive pensions in this regard which will be in excess of €12,000 per annum.

These individuals, who will receive very large pensions, have no compunction with regard to taking €35 per month away from someone on a blind pension or in countenancing the other cuts that are being made across the board. We have been informed that payments to young



[Deputy Arthur Morgan.]

people who are on jobseeker's allowance will be cut if they do not take up positions on training or educational courses. The Government indicated that it is to create approximately 26,000 additional training and education places. However, there are 425,000 people on the dole. As a result, there are not enough positions available on courses for those who are unemployed. In view of the fact that the number of people on the live register is going to increase during the next six months, why does the Government believe there will be an adequate number of positions available? The VTOS and back-to-education allowances are also being cut. As a result, there will be even fewer positions available.

It is unfortunate that the Minister for Social and Family Affairs is absent from the Chamber. On Second Stage she said, "Receiving the full adult rate of jobseeker's payment at a young age without a strong financial incentive to engage in education or training can lead to welfare dependency". Welfare dependency indeed. What is proposed will lead to welfare poverty. Young people have no option but to depend on welfare when they cannot obtain employment. They cannot obtain employment because the Government has wrecked the economy. The Government encouraged the type of property speculation which led us into the credit crisis and which has given rise to the difficulties we now face. It was aided in this by the corrupt bankers and greedy speculators who all form part of the golden circle. The Minister is now stating that these young people could become welfare dependent. How could she and the Government have got it so wrong? They should be more concerned with regard to welfare poverty.

**Deputy James Reilly:** There is no doubt but that this section is particularly obnoxious in nature. Deputy Durkan referred to a week being a long time in politics. It is clear that a minute is also a long time in politics, particularly when one considers that the person occupying the ministerial chair across the Chamber has changed from a female to a male. It is interesting that the Minister of State at the Department of Enterprise, Trade and Employment, Deputy Calleary, has taken the place of the Minister, Deputy Hanafin.

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** To be fair, the Minister is entitled to a break of a few minutes.

**Deputy James Reilly:** I accept that. However, we are discussing legislation relating to social welfare. We are also discussing people who care for others, namely, the disabled, those in the poorest sections of society, the blind and individuals with myriad other problems. It is interesting that a Minister of State from the Department of Enterprise, Trade and Employment is in the Chamber, which gives the lie to how this Government is approaching the problem. It is all about bean counting, not prioritisation or realising there must be cuts across the public services to reduce costs. Instead of prioritising these cuts, a blunt instrument has been used. The Government has gone after blind people, the disabled and the people who care for them. They are on a pittance as it is and large sections of society remain untouched. Pensions in excess of €100,000 for disgraced public servants, in some cases, are untouched. That is hardly justice.

This seems to be a concerted attack on the poorest sections of society. People talk about those in the private sector having suffered, and they have, but it is quite clear that the Government intends for many more to suffer. The budget provides for 75,000 more people to lose their jobs, which means 75,000 more people in receipt of social welfare and 75,000 more people trying to get access to a medical card. There is a concerted effort to deprive people of medical cards. I have received telephone calls from people all over the country, including from people next door to the office in Finglas. Some 100 people per month are being taken from the local GP lists. People cannot access their medical cards and a security guard is at the office to stop

people from inquiring. Elderly ladies are being blocked by burly security guards. This is ridiculous. God help those around the country who do not know where to go to find out about the medical card being taken from them. People can go to the GP, who will never refuse to treat them. What about the pharmacists? How will they give out medicine when the patient does not have a medical card? They will not get their medicine and they will end up in hospital.

Today I heard about the 97 year old lady from north Dublin, who has been waiting for two days on a trolley with a fractured hip. She cannot have her operation because there is no post-operation bed available. What about her carer? We wish her well and hope she will be home soon. The Government is further undermining her.

The new measures on drugs and prescription charges are another attack on the most vulnerable and the sickest in our society. When one thinks about what has happened in the past where some people are on a pension of €500,000, having wrecked a bank and the banking system in this country and another man is escorted to jail by two gardaí for not paying his dog licence, it is a damning indictment of the sort of society this Government has created.

The cap on the dental excess will create a waiting list for medical card holders. People will be in pain with toothaches and will need fillings. It seems so frustrating for people because they know that this €4 billion is already gone. Anglo Irish Bank is already waving a flag for another €5.8 billion and the money saved in this budget, and more besides, will go straight to Anglo Irish Bank. Speaking on “The Last Word”, the Tánaiste said that this money was off balance sheet. Matt Cooper’s reply took the words out of my mouth when he said that this is the clever, smart alec accountancy that got us into this mess in the first place.

I oppose this section of the Bill. As I left Lusk, the back of the car of one of my constituents displayed “NAMA -- Nursing Assets for Ministerial Associates”.

**Deputy Michael D’Arcy:** The measure of any society is how well it looks after those less capable of looking after themselves. I refer to the Fianna Fáil slogan that cuts hurt the old, the sick and the handicapped. It is not often that Members can speak on one section of a Bill that encapsulates everything about the Government. These cuts will hurt the old, the sick and handicapped. They are absolutely shameful. The Minister for Finance said there was no alternative, a message that has been put out by a number of Fianna Fáil spokespersons, their colleagues in the Green Party and the backup cronies. Fine Gael and the Labour Party published alternative policies. Deputy Reilly referred to dental care, from which €30 million was cut. That was a €30 million cut from €70 million. It is one thing to cut a project but removing almost half of it is sabotage.

I cannot find reference in the Estimates to the family resource centres. I referred earlier to how well we care for those who are less capable of looking after themselves. In family resource centres, a huge number of people provide voluntary assistance. In the greater scheme of things the cost of these centres was not a lot. I do not know whether they are good but perhaps someone can tell me. The contributions bring in some €7 million, which is then disbursed through the system. How well these moneys are spent bothers me. It is good if they are spent well but if not, it is a continuation of the waste this Government championed. Totalling all administration costs of the Departments, there is less than 1% reduction, specifically 0.66%, out of €4.5 billion in all Departments. Where is the reform? Where are the people in Fianna Fáil who once were capable of reforming? Have they all sold their souls to the devil just to remain in government, in case there is an election and Members lose their seats? They want to stay in there, in the political comfort zone because they have been in government for too long.

I do not want to labour the point that this section is despicable. Every Member who passes through the lobbies this evening is despicable. They will cut the money that is given to blind

[Deputy Michael D'Arcy.]

people. They will cut the money given to carers, who are paid a pittance but save the State millions. Every Fianna Fáil, Green Party, Progressive Democrat or Independent Member who goes through the lobbies should be totally ashamed when the names are struck off.

**Deputy George Lee:** In terms of delivering reductions in welfare, this section of the Bill is something to be ashamed of for Members on the Government side. It is presented as a cut of 4% in the social welfare rates for adults but no account is taken of the cut that cancelling the Christmas bonus represents, which will be repeated next year. This brings the amount to a 6% cut in the net disposable income of the people who have the least. People may argue that the rate of inflation is -6% but we all know that many people on these levels of payments from the social welfare system do not generally have high mortgages, nor do they benefit from the items that came down in price in the same manner as those at the higher end. They certainly do not benefit from the ministerial pay increases. Ministerial pay has been cut by 5% before tax in this budget. After tax, it is much lower. The axe is falling on these people, who are at the bottom of the pile, who need support and are dependent on the State to protect them at the time of enormous economic crisis. Instead of support, the ground is pulled from under them.

It is extremely distressing for anyone who is on a low rate of social welfare payments to find that the rate is to be cut even further. All social welfare payments are low in comparison with the cost of living. Every economic study shows that levels of inequality in any society grow considerably during recessions. One of the functions of a social welfare system is to protect society against the consequences of that inequality. Studies have also shown that typically in Ireland, without the social welfare system, approximately 43% of the population would be living below the poverty line but the effect of the system is such that approximately 14% to 15% are below the poverty line. We should be proud that the system does what it is supposed to do, redistributes wealth from those who have it to those who need support. We should work towards pushing that further.

Cutting the rates of social welfare for people to whom the economy gives very little while others in very well-paid jobs have not felt any impact in this budget is despicable. We will increase inequality and poverty. Studies show that 25% of people on disability payments live below the poverty line. The Government is cutting their income by another 6%. No thinking person would feel proud of this.

Recent reports have shown that arguably €2 billion is lost to the social welfare system through fraud. People who are clever are able to get fake PPS numbers, or to rent them. There were very few controls in the system. If the level of fraud is one in ten, as some people in the public arena have recently suggested, that would amount to €2 billion of social welfare spending going a-begging which has not been looked after, collected and on which no one has clamped down for the State. That the lowest payments for adults in the social welfare system are to be further cut while we let that waste go is despicable and not something of which we can be proud.

We should do our utmost to ensure that this section does not go through. It is hard to sell to people who feel that this country and society have given them so little. There are very few jobs being created for people on the dole. They may well find themselves trapped in unemployment and those with disabilities who find it hard to get jobs in the first place will find it even harder to do so. The situation is getting worse.

During the big recession, in the 1980s, 46% of those who became unemployed became long-term unemployed. It is a serious threat to people that the social welfare system, which they hoped would support them, will not do so. Many have paid for years into social insurance and received very little from it because the economy was booming. Now when it is not booming the benefits of their contributions are being taken away, not just their dental benefits but the

core benefit, what they have to fall back on if they become unemployed, is subject to a deliberate and up-front cut by the Government. That is a disgrace and we should not support this section at all.

**Deputy Shane McEntee:** When I sat in this seat on Wednesday morning I caught the eye of four young people in the Visitor's Gallery who happened to be speaking through sign language. My uncle taught me sign language so I was able to engage with them. When I went up to see them the one question they asked me was whether the Minister for Finance would take money from them. I said that I did not think he would. I apologise to those people, and I will call out to see them in Cabra, because I was wrong.

When I came into this House five years ago I noticed the sculptures around the Chamber of the men who in 1916 declared a republic, and died for it. Part of that declaration states:

The Irish Republic is entitled to, and hereby claims, the allegiance of every Irishman and Irishwoman. The Republic guarantees religious and civil liberty, equal rights and equal opportunities to all its citizens, and declares its resolve to pursue the happiness and prosperity of the whole nation and of all its parts, cherishing all the children of the nation equally, and oblivious of the differences carefully fostered by an alien government, which have divided a minority from the majority in the past.

In the past six months we have broken that guarantee twice. The Minister for Finance has already accepted that NAMA will not work. This evening the Government will alienate the young people who stood in that gallery and those who are blind.

It took us all 48 hours to realise what was going to happen to us. I had to examine my income to see what I could cut but I can manage it. I do not care what I have to do. I could cut out another €1,000 and it would not worry me. Those people have very little. I ask Deputy Gogarty not to fly off the handle. I am capable of doing the same. He is a champion of schools. He knows how they will be hit. The people with disabilities are always left to last. Deputy Gogarty said last night that he did not like doing it but he was going to do it. The Ministers have betrayed the men and women who died in 1916. The backbenchers have a chance to stand up to this. Deputy Gogarty has an opportunity to do so as well. The Government cannot take money from people who are not in a position to help themselves. It cannot take money from the blind or from a girl called Eileen Carolan in my parish. It cannot take it from the people in St. Joseph's School for Deaf Boys. If power means so much to Deputy Healy-Rae so be it. I was elected to represent everyone in Ireland, North and South, Catholic and Protestant. Let Deputy Healy-Rae give up the hospital on which he made a deal, as have all the other Independent Deputies but do not take money from these people whom we are supposed to cherish.

I have said before that the Minister is doing a good job at getting back money that has been taken out of the social welfare budget but this money should not be taken. Anyone who walks up those stairs, as we do every day, should look into the eyes of the men represented by the sculptures, and ask whether he or she is doing the right thing. That is what I ask them. Whoever goes to the left is betraying the people who fought for this country so that everyone would be treated equally. I challenge every Deputy who says he or she is Irish not to accept this. I ask the Minister to reverse that simple decision to take money from the blind and the disabled. It is a simple matter but it is the one that will bring her down. I ask every Deputy if he is man enough or woman enough to stand up for young people who do not have the advantages we have. I ask that of the Deputies from my county too.

We never took a penny from the rich. I know they are the people who create the employment but they were prepared to give it. Every time a Deputy walks up those stairs he or she should look those images in the eye and ask that question and anyone who cannot do that should not

[Deputy Shane McEntee.]

be here. For once in their lives they should stand up. The front bench of the Green Party threw the party away when the NAMA Bill came before us. Now it will do the same again. I ask Deputy Gogarty to stand up to it. He knows right from wrong.

**Deputy Joe Costello:** I am delighted to have the opportunity to speak in opposition to this section. It is at the heart of this budget. It is a shameless budget that directly attacks the weakest and most vulnerable in our society. The Green Party is beyond redemption in this matter. It does not seem to appreciate what is being done in its name.

This will ring the death knell for Fianna Fáil, which at least traded in the past on being supportive of the less well off, the vulnerable, the poor and the sick. Now, it seems it has sold out everything to its high-flying financier, speculator, developer friends. It is people with disabilities, one-parent families, widows, carers, blind people and guardians who are affected by this section — the most vulnerable, the weakest, the poorest in our society. They have all been targeted with at least a €8.30 cut.

For young people aged 18 to 21, the jobseeker's allowance has been halved and it has been reduced substantially for those aged 22 to 25. The intention is that these young people are unwanted. These are the future of Irish society. Does anyone think this Government wants to cherish them, to keep them here? No, it wants to get rid of them as quickly as possible. It wants them out of the country, it wants them to emigrate. That is exactly what is in this budget — target the weakest and get rid of those who might be some sort of a burden at present because there is no employment, and make sure they are got rid of as quickly as possible. When one combines this with the cut to the Christmas bonus, it will be a very bleak Christmas for those people who were hoping to have that little extra cheer that made Christmas decent for the many who spend the rest of the year in very difficult circumstances trying to make ends meet.

It is still not too late to reconsider this. There are alternatives, such as in regard to the excise duty that has been reduced for alcohol, and in regard to the well off, who have not been targeted at all, and those identified by IBEC and *The Sunday Business Post* who had no reduction in their income in 2007 and 2008. All of the semi-State commercial sector, most of which has received increases, has not been targeted. Whole sectors of Irish society have not been targeted by this budget in any way. The most vulnerable sector and the public sector have been exclusively targeted. Fianna Fáil has sold its soul to those developers who were part and parcel of the Celtic tiger, and who Fianna Fáil cozied up to in the Galway tent and elsewhere. Now, we see it. When times get rough, they choose the simplest and easiest target that is available, and it is from this they are extracting all of the money to make the budget balance.

There are Members on both sides of the House, including on the Government backbenches and among the Greens and Independents, who are not happy with this budget, which they find hard to stomach. Deputy Paul Gogarty at least has the decency to listen to the debate, although others do not. However, they are not happy with this budget. The point is that there is an alternative. These people did not realise, not being part and parcel of the dealings that went on, how the trade union movement was drawn down the garden path by Fianna Fáil and how the rug was then pulled from under it at the last moment, or how this budget is being rushed through before Christmas. All of this has put a lot of pressure on them and they did not realise and tease out the implications of it. It is being teased out in the best way possible at present.

It is clear that this Bill attacks the most vulnerable sectors in society. From that point of view, it is impossible for any democrat to stand over and the fact there are alternatives makes it doubly impossible. If we do not hit these sectors at the bottom of the pile, there are other sectors at the top that can equally pay the amount of money and we can balance the budget in

that fashion. I appeal to these Members to realise that it is not too late. Deputy Gogarty and Deputy McDaid did not vote on the first vote, but a second vote is coming up in a short while. I would hope they will either abstain or vote against this. Others are questioning their consciences at this point. They should continue to do so until such time as the vote, and they should listen to the arguments that have been put across the floor of this House.

They must see how threadbare is the Government's argument on this issue. This section is at the heart of what the Government is doing, namely, pulling the rug from the poorest in our society and making life miserable for them. The Christmas bonus is gone and a reduction of approximately 6% will bring people on the poverty line below it, when we should be doing our best to ensure they are pulled up above the poverty line and assisted in whatever way possible.

I make one final appeal. I do not believe there is any hope of getting the Chairman of the Joint Committee on Social and Family Affairs to redress his position. We heard him here this morning and he does not seem to care one way or the other. Certainly, there are good people on the backbenches, Independents and those who are semi-detached — the strays, as the leader of the Labour Party described them this morning — and some among the Green Party who are deeply worried about this measure. This is the opportunity for them to take a stand on this section, whatever about the other sections. I appeal to them to do so when the vote arises.

**Deputy Paul Gogarty:** I suppose if I am sitting here, I am a target. My name has been mentioned by a number of speakers. Yes, it is hard for me, and I would hope for any other God-respecting humanist republican — you name it — to support measures that hurt the vulnerable. Of course, it is hard for me. It is hard for me to gratuitously insult many of my constituents who are public sector employees and tell them: "Listen, lads. It is necessary. I feel your pain but it is necessary". To them, it comes across as baloney, insincerity, political rant. We have had much of that in past the couple of days in this Chamber although I must acknowledge we have had much sincerity also.

I will take at face value the sincerity with which the Deputies on the opposite side of the House have expressed themselves although I know also that perhaps some of their colleagues were more interested in point-scoring and political opportunism than sincerity. If I was on the Opposition benches, not having access to the figures, not being involved in the negotiations for the programme for Government and not having been kept in the loop this year, which we certainly were not last year with the rushed budget, I would be clamouring for blood and pointing out the unfairness of this budget. It would be highly disingenuous of me and totally insincere, therefore, to say anything other than that this is a grossly unfair section and that the Bill is grossly unfair.

I have received God knows how many texts, including today, from constituents in both the public sector and those in receipt of social welfare. They say it is a shame and a disgrace, and ask "How can you hurt vulnerable people?" Unfortunately, this is what this debate is about. The Labour Party says there is a radical alternative. Those on the Government benches say there is no alternative. I believe there was an alternative in our society and there may still be an alternative. However, as far as this budget goes, there is not much room for manoeuvre. That is the problem. I stated on the record last night that approximately €3.2 billion is being paid in interest on our loans this year. If nothing is done by 2013 it will go up to €11 billion, a quarter of our tax take.

The Green Party argued for a number of things. Personally, even though I be shot by some sectors for saying so, I believe certain people over the age of 65, if social welfare is being cut, could also take a 1% or 2% cut, instead of the blind, the carers and other sectors. That did not happen, a judgment call was made. Some might say it was a cynical decision by Fianna Fáil to protect its electorate. Others might say that the pensioners were hurt last year, as the protest

[Deputy Paul Gogarty.]

showed, and we should not hurt them this year. A cynic might say again that the pensioners can come out and protest whereas the more vulnerable cannot.

I am trying to look at this objectively. There are reasons for protecting our senior citizens. People got on to me before the budget saying they did not care about the pain but they did not want their mother or father to suffer a cut in their pension. There were reasons for that but the knock-on effect of not cutting pensions means the other areas of the welfare budget had to be cut instead.

We in the Green Party argued for a reduction in the overall level of cuts. I will not go into detail, I will leave that to someone else, but we succeeded in getting it reduced somewhat from what it might have been to the 4.1% it is now. That was a trade off from various sectors.

The trouble is, no matter where there is a trade-off, someone will get hurt. If a relatively low income earner in the public sector is being levied with a 5% pay cut, if social welfare is not touched when that pay cut is brought in, all of a sudden that person would probably be better off leaving his job, even with the pension security. If he has just started in the public sector and is on a low income, the pension is a long way off and he might say that this is a chance to get out if the offer comes for reductions in staff numbers.

If pay is reduced in the public sector, social welfare must also be reduced and it has been reduced by less than the lowest earners in the public sector. It hurts those on social welfare, and it certainly hurts those within the public sector, but if money is not taken out of the public sector, social welfare is increased and *vice versa*.

We have had a debate about the rich needing to pay more, and I agree with that. We argued in this budget and the Green Party is disappointed that a third rate of tax was not brought in this year, although we understand there is a commitment it may be brought in next year. We are disappointed the PRSI levy was not introduced this year, because we argued vehemently for that as well. We argued vehemently for many things, such as the introduction of a carbon tax and the protection of education and we got some of those things but we did not get everything. Taken as a package, however, we could not ignore the reality that we must make €4 billion plus in savings or else the interest rates we pay on our overdraft will go up.

I agree with the Minister for Finance on one point. He was overly conservative on the application of additional taxes. There is a strong case that if taxes are increased and revenue goes down and the €4 billion magic figure is not achieved, it is totally pointless. I agree, but he was a little conservative in terms of getting rid of the loopholes and areas where people make savings on their tax liabilities. More needs to be done and it needs to be done quickly. I acknowledge the levies that came into force in April affected the higher earners far more while those on social welfare were affected less.

Having said all that, I genuinely acknowledge the call to solidarity by Members on the Opposition benches and I take it as a sincere call. Like everyone in this Chamber, I am proud to call myself a republican. Far too often, however, republicanism in Ireland has been paddy-whackery. I do not want to go off on a tangent but I remember sitting in a pub once and when everyone was pissed out of their brains, and the rebel band was playing the national anthem at the end of the night, as a naive 16 year old, I sat down because I thought this was an insult to our national anthem. Someone whacked me in the back of the head and asked if I was not proud to be Irish. I said I was proud to be Irish which is why I sat down.

It is like that now. I am damn proud to be Irish. I am not proud of what has happened, I am not proud of the fact the banks had to be bailed out, of the corruption and worship of mammon in this country that has brought us to this sorry state, I am not proud of that, colleagues,—

**Deputy Róisín Shortall:** Deputy Gogarty should do the right thing then.

**Deputy Paul Gogarty:** —but I am proud to be Irish. In my conscience I must look at the bigger picture rather than the small, individual pictures.

**Deputy Joe Costello:** This is the big picture.

**Deputy Róisín Shortall:** It is.

**Deputy Paul Gogarty:** Because of that, and in all sincerity, believing what I believe to be right, I am supporting the legislation.

**Deputy Joe Costello:** Supporting the cuts.

**Deputy Róisín Shortall:** Does Deputy Gogarty believe the legislation is right?

**Deputy Paul Gogarty:** I do not believe it is right to take anything from anyone vulnerable.

**Deputy Róisín Shortall:** The Deputy just said that.

**Deputy Emmet Stagg:** Always blathering.

**Deputy Paul Gogarty:** It is, however, necessary.

**Deputy Róisín Shortall:** Providing the Government and Fianna Fáil with justification.

**Deputy Paul Gogarty:** It is necessary because of the wrongdoing of others, wrongdoing I bear no responsibility for.

**Deputy Róisín Shortall:** What about the big players? What about the wealthy paying their share? Does Deputy Gogarty not think they should pay their share?

**Acting Chairman (Deputy Michael Kennedy):** I ask Deputy Shortall to please desist.

**Deputy Emmet Stagg:** Bleating and blather.

**Deputy Paul Gogarty:** I respected the Deputy's sincerity and I ask him to respect mine.

**Deputy Emmet Stagg:** The Deputy does not seem very sincere from what he has been saying.

**Acting Chairman:** Deputy Stagg will have his opportunity in a few minutes.

**Deputy Paul Gogarty:** With all due respect, in the most unparliamentary language, fuck you Deputy Stagg. Fuck you.

**Acting Chairman:** Hey. Excuse me, Deputy Gogarty, that is most unparliamentary language.

**Deputy Róisín Shortall:** Excuse me?

**Deputy Paul Gogarty:** I apologise now for my use of unparliamentary language.

**Deputy Róisín Shortall:** How dare he.

**Acting Chairman:** Could the Deputy please withdraw that?

**Deputy Paul Gogarty:** It is most unparliamentary language and I now withdraw it and apologise for it but I am outraged that someone dares question my sincerity on this issue.



[Deputy Paul Gogarty.]

I do not like what has to be done, but I will take responsibility, take it on the chin, get the unpopularity and lose my seat because it is the only thing we can do to get this country out of the state we are in.

**Deputy Róisín Shortall:** No it is not, it is not the only thing we can do. What rubbish. Deputy Gogarty has bought into the Fianna Fáil line on this.

**Deputy Paul Gogarty:** I firmly believe that. Deputy Shortall should respect my view. I did not cause the economic mess, I did not take money from developers.

**Deputy Róisín Shortall:** Excuse me, neither did the Labour Party. How dare the Deputy accuse us of that. How dare he.

**Acting Chairman:** Please, Deputy Shortall.

**Deputy Paul Gogarty:** That is the point.

**Deputy Joe Costello:** Do the right thing then.

**Acting Chairman:** Deputy Costello, please desist.

**Deputy Paul Gogarty:** The point is we are screwed as a country because of the wrongdoing of others.

**Deputy Joe Costello:** This the opportunity.

**Acting Chairman:** Deputy Shortall and Deputy Costello, please.

**Deputy Paul Gogarty:** That does not mean we shirk our responsibility to do the right thing now.

**Deputy Róisín Shortall:** The Government should not compound the problem by hitting the poor.

**Deputy Paul Gogarty:** I do not like this unfair budget but it was made unfair because of bankers, developers and corrupt politicians.

**Deputy Joe Costello:** That is right, the people over there.

**Deputy Paul Gogarty:** The remedy must still be applied.

**Deputy Shane McEntee:** It is not necessary to go to bed with them though.

**Acting Chairman:** Please let Deputy Gogarty finish.

**Deputy Paul Gogarty:** I wish it was any other way.

**Deputy Róisín Shortall:** The Deputy has lost all of his critical faculties.

**Acting Chairman:** Please Deputy Shortall.

**Deputy Paul Gogarty:** No, I still have my conscience.

**Deputy Róisín Shortall:** He has completely bought into the Fianna Fáil line.

**Deputy Paul Gogarty:** I am sorry——

**Deputy Róisín Shortall:** He has and he should be ashamed, listening to himself.

**Deputy Paul Gogarty:** It is not a case of buying into the Fianna Fáil line, it is a case of looking at the €24 billion we have borrowed.

**Deputy Róisín Shortall:** Deputy Gogarty has bought Fianna Fáil's spin completely.

**Deputy Joe Costello:** Look at the poor people the cuts will hurt.

**Deputy Paul Gogarty:** Those are the facts, the financial reality. We will not be able to pay social welfare next year, we will not be able to pay the public service workers next year.

**Deputy Róisín Shortall:** It is not the financial reality. Why did the Government parties not get the millionaires to make a contribution?

**Deputy Paul Gogarty:** As a TD, when my political career ends, I will be in a better position than others.

**Deputy Róisín Shortall:** Why does the Green Party not end all the tax breaks for the rich? Be honest.

**Deputy Paul Gogarty:** I want to leave something for future generations.

**Acting Chairman:** Would Deputy Gogarty please address his remarks to the Chair? Deputy Costello and Deputy Shortall have had their opportunity. Deputy Stagg will get to speak next.

**Deputy Paul Gogarty:** There are people playing the patriotic card, asking people to examine their conscience. I answer back in all sincerity that I have examined my conscience and I still think it is necessary. There is a basic lack of respect for those who may hold an opposing view. It is an important issue, it not one for playing politics with.

**Deputy Joe Costello:** Precisely

**Deputy Róisín Shortall:** The Deputy is just a bleeding heart.

**Deputy Joe Costello:** The Deputy should do the right thing then.

**Deputy Paul Gogarty:** I am doing the right thing.

**Acting Chairman:** Will Deputy Gogarty please address his remarks to the Chair? I appeal to Labour Deputies to desist; they have had their opportunities. Deputy Stagg's opportunity is coming up.

**Deputy Paul Gogarty:** I have apologised for my outburst.

**Deputy Emmet Stagg:** I am afraid to open my mouth.

**Deputy Joe Costello:** He is voting with his conscience.

**Deputy Paul Gogarty:** The only person who has ever done that before was Deputy Ó Snodaigh. I am sorry he gave me a bad example. I apologise profusely.

**Deputy Róisín Shortall:** It is not really funny, it was entirely disrespectful.

**Deputy Paul Gogarty:** It is absolutely disrespectful but it was genuine. I would not say it except my outrage was genuine.

**Deputy Róisín Shortall:** The Deputy should apologise. He is expected to exercise self control.

**Deputy Joe Costello:** The outrage is on this side.

**Acting Chairman:** Has Deputy Gogarty finished?

**Deputy Paul Gogarty:** May I continue?

**Acting Chairman:** Yes, please.

**Deputy Paul Gogarty:** All right. We have seen what has caused the problem and I have mentioned it is largely the responsibility of the previous Administration, the over-heated economy, the tax breaks for developers and bankers and for councillors who have taken legitimate donations——

**Deputy Róisín Shortall:** The Government is continuing with that. The breaks are continuing. Why have the Greens not stopped it?

**Deputy Paul Gogarty:** ——on all sides of this House.

**Acting Chairman:** Please, Deputy Shortall.

**Deputy Paul Gogarty:** There are many who are guilty and we can go into the blame game but the question is——

**Deputy Róisín Shortall:** Why did the Greens not end the breaks?

**Deputy Paul Gogarty:** ——what happens tonight when the buttons are pressed and people walk through the lobbies——

**Deputy Joe Costello:** The Deputy should take a stand.

**Deputy Paul Gogarty:** ——they have to make a decision. As Deputy McEntee has said, they should look at the statues of our forebears and ask——

**Deputy Róisín Shortall:** Then they do the right thing or the wrong thing.

**Deputy Paul Gogarty:** ——what is the right thing for this country.

**Deputy Joe Costello:** Exactly.

**Deputy Shane McEntee:** That is to look after the vulnerable——

**Deputy Joe Costello:** And for the people of this country——

**Deputy Shane McEntee:** —— as in the Proclamation.

**Acting Chairman:** Deputy McEntee, please.

**Deputy Paul Gogarty:** The right thing for this country is make sure we have enough money to pay the social welfare and enough money to pay the public sector and to create the jobs. Unfortunately, I believe there is no other option from an economic point of view, even though I fundamentally disagree with the unfairness——

**Deputy Róisín Shortall:** Continue the tax breaks. Do they care?

**Deputy Paul Gogarty:** —of it all but it is necessary. I am going to walk through the lobby and do the right thing and dare anyone say I am somehow less of a patriot than anyone else.

**Deputy Róisín Shortall:** He is giving us this bleeding heart.

**Deputy Emmet Stagg:** Section 4 is the core of the issue as it deals with the cuts of practically every level of social welfare being paid to people under 66 years. We should remind ourselves who they are. In the first instance they are the jobseekers, 420,000 of them now, most of whom were working two years' ago. They are not, therefore, a group of people who do not wish to work but simply people who lost their jobs. They also include those people on disability benefits, those who are too sick to work, and their income will be cut. Not only will their income be cut but they will be charged for their medicines and some of them are on nine or ten separate medicines a week. They will pay 50 cent per item every time they are given a prescription. This will be a significant additional burden on them. The carer's allowance will be cut. The allowance for the blind will be cut as will allowances for single parents and all the other types of payments. I give full credit to the Government for increasing the amounts of money payable during the good times. This is an historic occasion in this House. A tiny amount of money was taken from pensioners by Ernest Blythe a long time before I was born. It has stuck in the folk memory of people that a Government took one shilling from the old-age pensioners, and that is how Ernest Blythe is remembered.

4 o'clock  
This budget, and this Minister in particular, will be remembered, for the fact that she has failed to find an alternative to taking money from the poorest people in society. All parties in the House, right across the board, agreed there was a requirement to find about €4,000 million to assist with the balancing of the books of this nation. Everybody agreed that amount had to be found and everybody then had a responsibility to say how it would be found. We brought forward our proposals; they were real, alternative proposals costed by the Department of Finance and presented. Fine Gael did likewise. None of those proposals suggested these cuts so there was an alternative to what the Minister did. Two separate alternatives to find the €4 billion required were presented in this House. It is nonsense, blather and rubbish to say there was no alternative. I am sorry I have to do it this way.

There were alternative sources of funding available to the Government if it wished to go after them. One of the alternatives we suggested was that people earning more than €100,000 per year — such as Members of this House — should pay tax at 48% in the euro. This was not accepted. We had a list of other proposals that added up to more than the €4 billion and we were to spend an additional €1.2 billion on job creation. That was our proposal. I do not want to hear again from the Government, their spokespersons or their spokespersons in the media, who seemed to swallow the Government line, hook, line and sinker, that there was no alternative. There were two very real alternatives, costed by the Department of Finance, put to this House by the two parties in Opposition and I will mention that Sinn Féin also put forward a proposal that was fully costed. There were nuances of difference between them but one common element was that the poor were protected. This is the common theme of the Opposition even though there are different ideologies in the Opposition.

**Deputy Paul Gogarty:** With no guarantee —

**Acting Chairman:** Deputy Gogarty, please.

**Deputy Emmet Stagg:** We demonstrated this was possible. I notice the Minister is not here in the Chamber for this very important part of her Bill. She will go down in history as being

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the person who cut social welfare across the board and not just the shilling off the old-age pensioners. This will create very severe hardship.

*(Interruptions).*

**Deputy Emmet Stagg:** People currently on social welfare are very poor. A single person on social welfare, some of whom may be 50 years of age, have lost their jobs and are on €204 a week, will find their benefit reduced by a significant amount relative to them. They will not receive any extra rent allowance because that is also being changed. It will mean a net loss to them. They live on loaves of bread and sausages; they do not buy fillet steaks because they cannot afford them. Steak is not on the menu for them. They will now be even poorer. The most vulnerable people are the blind, the disabled and the handicapped and they will all suffer severely arising from this.

I will contrast those we are arguing should have contributed with those whom the Government insist will contribute. People on supplementary welfare allowance, which is the last safety net provided by Government for people to stop them going hungry and to ensure they have a roof or some form of shelter, will pay, whereas the banker whom we recently funded with taxpayers' money — he is being paid out of the same kitty as the person on supplementary welfare allowance — thought he could not exist on €500,000 a year. He will pay nothing. That is what we are complaining about, the way the money was found. I take these two extreme cases as an example of the people who will pay and the people who will not pay, to demonstrate the point clearly.

It is a disgrace that the Government made a decision to target specifically and solely in this budget the poorest people in the country, the most vulnerable, the most in need and the people who are likely to suffer severely arising from the money that is being taken from them. The really galling aspect for them, particularly many of the recently unemployed, is that they are being forced to pay for the near criminal activity of bankers and speculators — in some cases, criminal activity — and the fact that the Government aided and abetted that activity by turning a blind eye, day in, day out, year in, year out, to their activities.

I will touch on the reason the Minister did not comply with the requirement in the Cabinet handbook to produce the poverty-proofing of her proposals or why the Minister for Finance, who is primarily responsible, did not do so and ignored that requirement on him to do so. The reason is plain as a pikestaff. Because such a proofing would demonstrate clearly that this would severely damage poor people and cause additional poverty, he skipped that requirement. That is the reason it is not included in the books we normally receive.

**Deputy Denis Naughten:** The Green Ministers also turned a blind eye to it.

**Deputy Emmet Stagg:** Of course they did. I just lump them in with Fianna Fáil now. I do not see any difference.

**Deputy Paul Gogarty:** The Labour Party took money from banks——

**Deputy Joe Costello:** Oh no, we did not.

**Deputy Paul Gogarty:** Deputy Costello should check his party's records.

**Deputy Kathleen Lynch:** Deputy Gogarty should wash out his mouth.

**Acting Chairman:** Allow Deputy Stagg to continue without interruption, please.

**Deputy Emmet Stagg:** We heard much bleating and blather from the Deputy who interrupted me about how sad he was that the poor would be hurt by his decision to walk through the lobby tonight. If he walked in the other direction and convinced a few of his colleagues to do likewise, the measures would be rejected, we would have a general election and Deputy Gogarty would be a hero of the those he would save from the hurt that is proposed.

**Deputy Paul Gogarty:** We nearly had an election two months ago on the issue of education but my party delivered.

**Deputy Emmet Stagg:** Perhaps it will deliver again before the division tonight, although the Deputy indicated he will vote in favour of the budget. At any rate, I do not wish to engage in chat across the floor. I will speak through the Chair.

**Deputy Paul Gogarty:** In that case, Deputy Stagg should refrain from saying my name in vain.

**Deputy Seán Sherlock:** Deputy Gogarty has now acquired a God complex.

**Acting Chairman:** Please allow Deputy Stagg to continue without interruption.

**Deputy Emmet Stagg:** I ask the Government and its spokespersons to stop suggesting they have ensured the vulnerable have been protected. The vulnerable are being punished and will not be protected by these measures. They have been targeted exclusively, while the rich, the well-off and those who caused the problem escape once again. There are alternatives, which the Labour Party has outlined in detail.

**Deputy Mary Hanafin:** I thank those Deputies who have raised genuine issues and I will address as many of them as I can.

**Deputy Denis Naughten:** Perhaps the Minister will thank those who raised genuine issues without using foul language.

**Deputy Paul Gogarty:** It has been used in the Australian Parliament.

**Deputy Denis Naughten:** I am happy to have been elected to the Irish Parliament.

**Deputy Mary Hanafin:** Deputy McGinley referred to the half rate payment for carers. The rate will be reduced to half the new rate of the carer's benefit. Carers asked us not to abolish the half rate carer's allowance, as recommended in the McCarthy report. While I understand that no one wants the payment to be reduced by €4.25 per week, carers are relieved that the scheme was not abolished.

The case raised by Deputy Crawford provides me with an opportunity to highlight one example which could be useful to Deputies. A widow with three children who works part time and is in receipt of the contributory pension would receive €291 per week. Assuming she is working 19 hours per week on the minimum wage, she would receive a further €163 per week. On this income, with three children, she would qualify for the family income supplement under which she would receive a further €149 per week. This would make a significant difference to her income as she would receive a total of €725 per week, of which €562 would be paid by the State. I am not trying to justify a cut in her social welfare payment.

**Deputy Seán Sherlock:** On a point of order, if one is shoving somebody——

**Acting Chairman:** That is not a point of order. The Deputy will have an opportunity to ask questions when the Minister concludes.

**Deputy Mary Hanafin:** The purpose of the family income supplement is to support people on low incomes and acknowledge that they make a contribution through participation in the workforce but need to be supported by virtue of being on lower incomes than others. The case I cited is a good example of a person who can receive this support. A widow with an income of €725 per week would receive €562 from the State.

Deputy Sherlock asked whether there would be a *pro rata* decrease for young people. Given that young people living at home are means tested on the basis of their parents' income, there will be a *pro rata* decrease, with a minimum entitlement.

**Deputy Róisín Shortall:** That is disgraceful. They will receive even less.

**Deputy Joe Costello:** The reduction will be 50%.

**Deputy Mary Hanafin:** Deputy Ferris who focused on farmers and the farm assist scheme will have noted that a new environmental scheme has been introduced. The scheme, which has been welcomed by farmers, is designed to support farmers and keep them where they are.

**Deputy James Bannon:** The Minister has her wires crossed.

**Deputy Mary Hanafin:** Deputy Stanton asked about the policy on young carers. The Minister of State with responsibility for children and youth affairs is working on this issue. As we did not have empirical evidence on the number of carers, the issue is the subject of a study.

Deputy Morgan asked about reductions in jobseeker's allowance and welfare dependency. Family income supplement, which bridges the gap between welfare and work, was introduced to minimise welfare dependency. This was also the reason we compensated recipients of family income supplement and social welfare for the reduction in child benefit.

Deputy Michael D'Arcy indicated that the Estimate does not refer to family resource centres. The centres are not a specific heading in the Estimate because they are included under the Family Support Agency. Funding for services provided by family resource centres has not been reduced. Funding for the support agencies, of which there are four, has been cut by €2 million and plans to expand them and increase their number will not proceed in the next couple of years. While we will cut back at that end, the services provided on the ground by 107 family resource centres will not be affected by the measures.

It was obvious from Deputy Lee's contribution in the House and on national media last night that he had not read the proposals on young people in the budget or the legislation.

**Deputy James Bannon:** Does the Minister propose to give the Deputy a lecture in economics?

**Deputy Mary Hanafin:** Two statements the Deputy made in the House need to be corrected. First, he indicated that a young person who worked from the age of 17 to 24 years would only receive €150 per week. This is wrong because a person with a work record would receive the full adult rate of jobseeker's benefit. If the person subsequently dropped to jobseeker's allowance, he or she would continue to receive the full adult rate. Second, Deputy Lee stated that a young married couple with children would only receive €100 or €150 per week. That is wrong because anyone with dependent children will receive the full payment.

I am pleased Deputy McEntee raised the issue of deaf people. One could conclude from the contributions of Deputies that blindness was the only disability. While blindness is a terrible

disability, in fairness to people with other disabilities I am glad Deputy McEntee specifically referred to deaf people.

**Deputy Róisín Shortall:** That is a cheap shot.

**Deputy Mary Hanafin:** Unfortunately, those who receive disability or invalidity payments will be affected by the cuts. Deputies have asked how much it would have cost if we had not reduced payments to those in receipt of disability payments and so on. The cost of not doing so would have been almost €108 million. It would have been necessary to find this expenditure in other Departments or in my Department's spending.

**Deputy Róisín Shortall:** What about tax breaks?

**Deputy Mary Hanafin:** I was asked whether I had spoken to disability groups. I met representatives of these groups separately and they attended the pre-budget forum.

**Deputy Róisín Shortall:** The Minister is running for cover.

**Deputy Mary Hanafin:** It is worth repeating that they placed greater emphasis on services on the ground and in the community. They want and need these services — Deputy Crawford is nodding his head — because they are very important to people with disability.

**Deputy Seymour Crawford:** They are very angry.

**Deputy Mary Hanafin:** Cutbacks have not been made in respite care beds, day care places, primary care teams or any other services available to people with a disability.

**Deputy James Bannon:** Has the Minister visited hospitals in Longford and Westmeath?

**Deputy Mary Hanafin:** An additional €10 million has been provided to deliver more home care packages. The choice facing us was whether to reduce payments, bad as such a step is, or place the burden on the Department of Health and Children. I believe that if one reduced services by more — there are many with disabilities who would agree——

**Deputy Róisín Shortall:** That was the Government's choice.

**Deputy Mary Hanafin:** ——it would have impacted upon such people more seriously. I agree with the remarks of Deputy Ó Snodaigh on the salaries of some people in the agencies to which he referred. The Government does not set those salaries. I fully agree it is outrageous for the head of a body such as Coillte or the ESB to receive a salary of €400,000 or more. It goes against everything that people in this House attempt to do and everything to which people throughout the country are trying to adapt. I trust they will take some leadership as well, in the same way — let me put this on the record — as those of us in the House, the Taoiseach and Ministers. We are very well paid and I recognise as much.

**Deputy Joe Costello:** What about the commercial semi-State bodies?

**Deputy Mary Hanafin:** That is the reason we took a voluntary 10% reduction last year. Under legislation this year, we will take a 15% cut.

**Deputy Róisín Shortall:** No.

**Deputy Mary Hanafin:** This 15% cut is formal, legal and permanent. There is a substantial difference between permanent legislation and a voluntary contribution. It is true to say the



[Deputy Mary Hanafin.]

Taoiseach is taking a 20% cut and Minister's are taking a 15% cut. We are not making anything of it. I am not trying to excuse——

**Deputy Aengus Ó Snodaigh:** The Minister is making something of it.

**Deputy Mary Hanafin:** I am simply setting the record straight because certain people in the House are trying to state it is something less than that. It was very important that we did that to give the type of leadership that the country needs and that is what we have attempted to show in this regard.

Certain Members have criticised us for making these choices. It was not a case of trying to generate more in revenue and therefore we could cut back on expenditure. In attempting to take out €4 billion from Exchequer spending, it had to come from our expenditure.

**Deputy Róisín Shortall:** What about taxation?

**Deputy Mary Hanafin:** Revenue raising measures came to €8.5 billion from all income earners in the past two budgets. That was imposed on income earners in a very progressive way up to a high limit.

**Deputy Róisín Shortall:** Tax breaks cost money.

**Deputy Mary Hanafin:** We have seen our tax returns decrease. The health levy was doubled for higher income earners.

**Deputy Róisín Shortall:** Why did the Government not stop tax breaks?

**Deputy Mary Hanafin:** Some €105 million less has come in and 4% of people will pay half of the income tax for next year.

**Deputy Joe Costello:** Why attack the poorest?

**Deputy Mary Hanafin:** The pool of high income earners is becoming smaller and smaller because we rightly hit them in the last budget and the previous one. It is not true to say that one can concentrate on a tiny group of people and hope to save €4,000 million.

**Deputy Kathleen Lynch:** That is not true.

**Deputy Róisín Shortall:** That is simply not true.

**Acting Chairman:** Deputy Shortall should allow the Minister to finish.

**Deputy Mary Hanafin:** Even if one did try to make it all from revenue one would cripple the economy and increase the cost of doing work in this country.

**Deputy Róisín Shortall:** The Minister should try telling that to people on social welfare.

**Deputy Joe Costello:** There were other choices.

**Deputy Mary Hanafin:** That would impact on our competitiveness and there would be no jobs in future.

**Deputy Paul Gogarty:** It is a fair argument.

**Deputy Mary Hanafin:** What are we about here?

**Acting Chairman:** If Deputy Shortall wishes to speak after the Minister, I will afford her the opportunity, but please allow the Minister to finish.

**Deputy Michael D. Higgins:** The Minister should speak to the social welfare Bill.

**Deputy Mary Hanafin:** The choices had everything to do with cutting expenditure. It was about cutting the spending in each Department. Although it was very difficult, we have tried to minimise the impact of it.

**Deputy Joe Costello:** This is a Second Stage speech.

**Deputy Mary Hanafin:** People, including outsiders, urged us not to cut the rates and to cut the extras. The extras would have imposed more hardship on more people. Let us consider the respite care grant. It has grown from €245 to €1,700 and a change to that would have had a greater financial impact on thousands more people than simply cutting the rate. As a Minister it would have been easier to stand and refrain from cutting the rate and simply cut the grant.

**Deputy Denis Naughten:** Only politically.

**Deputy Mary Hanafin:** However, it would have had a far more serious impact and it would not have been the right thing to do. These were the types of choices we faced. It is very easy for Opposition parties to call on us to bring in more revenue.

**Deputy Seymour Crawford:** We did not say that.

**Deputy Mary Hanafin:** That is what the Labour Party stated. It was not simply about bringing in more revenue. It was about reducing expenditure. If we do not stabilise the finances of the country we will not have an economy.

**Deputy Michael D. Higgins:** There is a 30% effective tax rate for high earners.

**Deputy Mary Hanafin:** If there is not a proper, functioning economy there will not be jobs and, therefore, all the people depending on social welfare will be there for a very long time——

**Deputy Joe Costello:** Certainly, they will.

**Deputy Mary Hanafin:** ——but the State would not have the resources to support them. Certain Members may shout across at us that the Government does not have a heart or compassion, but we have heart.

**Deputy Joe Costello:** A hard one.

**Deputy Róisín Shortall:** Yes.

**Deputy Mary Hanafin:** The Government has heart, compassion, understanding and sympathy. However, the Government does not have money.

**Deputy James Bannon:** The Minister's excuses are coming out of thin air.

**Deputy Mary Hanafin:** That is the difference. When one does not have money one must make difficult choices.

**Deputy Joe Costello:** Welfare was slashed.

**Deputy Mary Hanafin:** Those difficult choices are short-term measures to restore long-term growth to the economy, to help people return to work and to afford the opportunities to some that the rest of us have had, rather than to condemn the next generation to a poor outlook or to bad prospects while the rest of us have seen benefits.

**Deputy Róisín Shortall:** Words comes cheap. The Minister continues to engage in the spin in which all members of the Government have been involved in recent weeks. The Minister will be judged by her actions. Her actions show clearly that she set out deliberately to hit the weakest in society. Rather than protecting the vulnerable, she has protected the rich. The Minister has protected millionaires. Those people referred to previously who earn vast salaries will not pay one extra cent in tax, nor will those who can avail of various property reliefs. None of the property reliefs have been affected although the Government could have raised €430 million through such a measure. Those with vast pension schemes that attract tax relief on more than €5 million remain untouched, as do those that earn €300,000, €400,000, €500,000 and €600,000 or more per year.

The Minister set out very clearly to target the weakest in society such as those dependent on social welfare. As the Minister for Social and Family Affairs, Deputy Hanafin should be ashamed of herself because she has done nothing to protect those people who look to her to provide some social protection. The Minister should stop trying to misrepresent the situation. It is clear she had choices. A fair budget could have been introduced which could have ensured those who had most would contribute something to solve the problems. She could have protected those at the lowest levels but failed to do so. She chose to hit the weak and those dependent on social welfare and chose to ignore those who have very large incomes and a good deal of wealth. The Minister decided to leave them untouched and she will be judged by her actions, not by her untruthful words.

I wish to put a question to the Minister. During the last vote she had an opportunity to ask the Minister for Finance why he did not produce a statement on the poverty proofing of the budget, as required under the national anti-poverty strategy and in accordance with the Cabinet handbook. Will the Minister provide an answer on that matter now? Was a statement produced and, if not, why not? Does the Minister believe the Government can simply disregard the rules and regulations in place which require it to pay some attention to the impact of its decisions on the weakest?

**Acting Chairman:** We appear to be going off on tangents. Some two hours remain to complete the debate.

**Deputy Michael D'Arcy:** That is not our fault.

**Acting Chairman:** If Deputies wish to discuss the Bill as if it is on Second Stage that is fine by me, but I simply make the point.

**Deputy Michael D'Arcy:** The Minister left the Chamber when I raised an issue and I do not assume she chose to ignore the matter I raised.

**Acting Chairman:** Deputy D'Arcy should note the Minister answered the question in his absence.

**Deputy Michael D'Arcy:** No.

**Deputy Mary Hanafin:** The Deputy was not in the Chamber when I answered his point.

**Deputy Michael D’Arcy:** My question related to administration costs and the Minister did not answer it.

**Deputy Seán Power:** The Deputy should ask the question again and he will get an answer second time around.

**Deputy Michael D’Arcy:** The Minister answered my query on resources centres and I thank her for that information. However, the main issue I highlighted was the cost of administration in each Department. Some costs have gone up, including those of the Minister’s Department. I appreciate there are more staff and a good deal more work to do now in that Department. However, when the administration costs of the Department of Communications Energy and Natural Resources increase, it makes my blood boil to hear from some quarters that there is no alternative. The Minister is here representing the Government. There is a reduction of 0.6% in administration costs, but the Minister is taking money from the blind and from carers. Where was the reform the Minister should have been spearheading to try to ensure those people were protected? Was there any previous attempt to reduce administration costs? It is a fair question. The cost of administration in 2009 was €4.465 billion, but the book of estimates we received on Wednesday projected the cost for 2010 at €4.435 billion, a reduction of a little over 0.6%. Yet the Minister is cutting allowances for carers, blind people and widows. I would like an explanation from the Minister.

**Deputy Tom Sheahan:** The Minister made provision for 75,000 people to become the new unemployed in 2010. That will bring us to 0.5 million unemployed. Am I right in saying that every euro knocked off the social welfare payment is worth €80 million to the Department?

**Deputy Mary Hanafin:** It is €81 million.

**Deputy Tom Sheahan:** What contingency plans does the Minister have in the event of an increase of 100,000 in the live register next year? I have been speaking to industry sources and small businesses — people who are hoping to get to Christmas. I have been involved in several cases recently in which businesses have been trying to prevent the sheriff from entering their premises and persuade the Revenue Commissioners to deal with them. There is a strong and forceful attitude within the Revenue Commissioners at present. Last Sunday’s TV documentary “The Sheriff and Me” was not a true reflection of what is going on because the sheriff was portrayed as a very nice man. He probably is a very nice man, but the programme did not show what is happening out there. The Minister has made provision for an unemployment level of 500,000 this time next year. What contingency plans does she have?

**Deputy Michael D. Higgins:** I realise there are many sections about which people feel strongly and I hope we will be able to get to at least some of them.

**Acting Chairman:** If Deputies would speak about matters relevant to section 4 we might make a bit of progress, but we seem to be deviating quite a bit.

**Deputy Michael D. Higgins:** I have only said two or three sentences so far.

**Acting Chairman:** I am not suggesting Deputy Higgins is at fault, but other speakers have taken many liberties.

**Deputy Michael D. Higgins:** My point relates directly to what the Minister has just said. I will be brief and I hope my point is understood. The whole thrust of our approach is that in the present circumstances, as many Deputies have mentioned, the Minister had an opportunity of recasting our approach towards social protection. I have said with regard the budget and

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other matters that we should attempt to establish a floor beneath which people would not be allowed to fall. I argued that strongly from the point of view of a citizenship model. That would have made the participation of citizens within this State, in terms of inclusiveness, welfare and safety, independent of fluctuations in economic growth. It is perfectly respectable for the Minister to differ with me on that issue, but she cannot just say there is no other way. That was said by one of the most reprehensible participants in political life of the last century, Margaret Thatcher. There are other ways.

If the Minister had taken that approach, she could have defined it in the following way. Any Minister for social welfare or policy makes a choice among three models. One is the distribution of whatever is available from surplus. The second is payments related to whatever a person has earned during his or her lifetime. The third model is one in which we consistently try to redistribute opportunities and security to those who are less well off. This is a redistributive model. There is no point in suggesting that any of us is lesser in our economic probity by simply advancing that model. I do it for a specific reason. The Minister gave us a precis of how we came to be here in terms of the public finances. However, we must consider the history of a series of budgets that provided tax reliefs. The bottom 20% of taxpayers used 1% of the tax reliefs, while 77% of the top tax reliefs — on such things as spas and car parks — were used by people on incomes of more than €100,000, while more than half, at 60-odd percent, were used by people earning more than €200,000. Those budgets provided massive opportunities for those with high disposable income.

What about the notion that the poor dears are shrinking in number and there are not that many of them to give us more money? The Minister for Finance said in his budget statement that he was doing something very radical by giving net high income earners — as adjudged by the Revenue Commissioners — an effective tax rate of 30%. He is doing this on the basis that people will throw millions in the faces of poor people around the country — he is simply saying that philanthropy will do what the State will not do. These people will have to pay €200,000. It is time to put a stop to this nonsense. We heard from the former Minister, Charlie McCreevy, that there was no money out there. What about all the money that was lifted out of the economy and invested abroad? What about all the money that was forked into pension funds for people earning a couple of hundred thousand?

I agree with one thing the Minister said. She said it was obscene for people to be paid €400,000, and I agree with her. Therefore, I find it obscene that people feel it is acceptable to earn a similar amount as a part-time non-executive director of a bank. We are agreed on that. However, it is simply not true to say there are no riches out there that could have been accumulated. There could have been a rake-back from those who enjoyed property reliefs worth €400 million. The Minister can defend her position as much as she wishes, but she cannot say there was no alternative. There was an alternative.

**Deputy Kathleen Lynch:** There is.

**Deputy Michael D. Higgins:** There was an alternative. The Government could have pursued this money through taxation or by reconfiguration with regard to forms of capital expenditure. However, the most important thing of all, which must be admitted even by people on the Government side and those who support the Government, is that there was an opportunity for an entirely new departure in social protection. Let the record state that when we were saying Ireland had the second highest incomes in the world and the best incomes in the European Union, we were never above the bottom three in the EU in terms of social protection. There was an opportunity.

I ask the Minister not to tell us there was no alternative. There was. It was costed and documents were printed by different parties — the Labour Party, Fine Gael and Sinn Féin. The Minister cannot use the Bill to try to extend the nonsense that was spoken during the budget. There was an alternative. We can make arrangements for after Christmas if required. When the Minister's colleague, the Minister for Finance, says the worst is over, what he is really trying to say is that we are going back to the old game all over again. The old game is over. Our function on the social welfare Bill is to make the case for the poorest people and make sure they are not the ones who carry the burden. That is why I wish we were not only on section 4. We must get on to all the other sections which deal with appliances and so on — all the basic things that people need to live decently, which are being attacked in this Bill.

**Acting Chairman:** I thank the Deputy. I ask speakers to confine themselves to section 4.

**Deputy Denis Naughten:** There Minister said there are no alternatives, but there are. Fifty percent of the McCarthy recommendations were implemented in the Department of Social and Family Affairs, but only half that number were implemented in other Departments. Thus, there was ample room for savings. Only €55 million was achieved through taxes on the rich, one twelfth of what Fine Gael had proposed.

In regard to the widow about whom the Minister spoke, how much better off will that woman be if she works for 18 hours per week? What is the shortfall in regard to fraud this year? Is it not the case that the shortfall is in excess of the €108 million the Minister will raise from the cuts being imposed on the most vulnerable in society?

**Deputy Aengus Ó Snodaigh:** This is the key section because it deals with the rates for social assistance payments and it covers a wide range of issues. The Minister said she had been in contact with the disability groups. I do not know if she had the time since the Budget Statement to read what Inclusion Ireland said in regard to the cuts. It stated that it regards cuts to people on disability allowance and carer's allowances as an attack on the direct living standards and the quality of life of people with disability and that it is also at variance with the national disability strategy — which is often spoken about by the Government as evidence of its commitment to people with disabilities — and that the moratorium on recruitment and other cuts in the health care budget will impact directly on the services people with disabilities can expect to receive. It further stated that in addition, cuts to agencies which protect people with disability and prevent them from being discriminated against on the grounds of disability, such as the Equality Tribunal and the Health and Information Quality Authority, will further disadvantage people with disability.

The cuts affect the jobseeker's allowance. More than any other group in society, young people are being made unemployed and are starting to become dependent on social welfare. The National Youth Council of Ireland distributed a fact sheet in regard to the budget cuts. It stated that 74,100 young people under 25 years of age are out of work. The figure is probably higher because that figure is from September. It stated that youth unemployment has trebled since the fourth quarter of 2006, that Ireland has the second highest youth unemployment in western Europe and 51,700 young people out of work are aged between 20 and 24.

In what she has presented, the Minister is saying these people wish to become welfare dependent. That is not true because young people want work. Proof of that is the 60% increase in the number contacting FÁS this year as compared to 2008. Young people also want work experience but the Government only announced 2,000 places on a workplace scheme in April. Some 500 of those places were supposed to be ring-fenced for those under 25. That was welcomed at the time. The workplace programme scheme is not working. Only 129 people have

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been placed. That amounts to one workplace placement place for every 3,282 people on the live register.

Many young people have just completed college or will be due to complete it in June of this year. They are already well educated. They want work experience but it is not there nor are the jobs. To penalise them because the Government cannot get its act together and create jobs is the biggest scandal in this budget and that is why these rates of payments are a scandal.

We are differentiating on the basis of age. It would be interesting if somebody took a case on the ground of age discrimination in regard to the payments. This section which sets the rates is the most odious of all. I would like a lot more time devoted to this Bill in order that we could tease out some of the other odious parts.

**Deputy James Bannon:** Being young is not a safeguard against poverty. The Minister has pulled the rug from under many young people. I have received many telephone calls from young people in my constituency and outside it who are very well qualified, received a third level education and graduated but who cannot find employment. Many of them are in a dire situation because they are paying back debts incurred during their years of study. The Minister must protect those people who have done their utmost to find work. What this budget has done is morally wrong.

I would like to hear the Minister's views on reinstating the community employment schemes. They were a safety net for many people in bygone years.

**Acting Chairman:** The Deputy should stick to section 4.

**Deputy James Bannon:** The community employment schemes should be reinstated as soon as possible.

**Deputy Kathleen Lynch:** I refer to widows under 66 years. It has always astonished me that somebody who finds herself a widow at a young age, in particular if she has children, does not get secondary benefits. Secondary benefits would be a huge advantage. For most women or, indeed, men with two or three children who find themselves in this situation, child care is not an option nor is going out to work until the children are a little bit older. Secondary benefits in such cases would be a huge advantage.

Many people over 66 years retain the widow's pension rather than take up the old age pension. They get the secondary benefits at that stage but I cannot understand how we can differentiate in terms of age when the younger widow or widower would benefit most.

**Deputy Seán Power:** A few years ago, we could never have foreseen the type of budget introduced on Wednesday. As a member of a Government party, it does not give me any joy or satisfaction to see social welfare payments being reduced. There have been very generous increases in social welfare payments in recent years and people in receipt of them have become accustomed to increased.

Were there alternatives? We live in a small country with more than 2 million people in receipt of some form of social welfare payment and where social welfare accounts for 33% of total Government expenditure in a year. That gives some indication of the amount of money we are paying in social welfare each week. The Minister and the Government were faced with a very difficult choice.

If one looks at people's habits, three or four years ago, they were saving approximately 2% of their disposable income but this year, it will have increased to 12%. It is purely out of fear of the future. People have little confidence in the future and are saving money because they

do not know how rainy the rainy day will be. The Government must restore confidence at home in order to encourage people to spend and invest money. I know that is not possible in some cases. Equally, it is important to instil confidence in the people who lend us money, that is, that we are in charge of our destiny, we have a plan in place and we will be able to honour any debts which accrue.

**Deputy Kathleen Lynch:** The Government will in its foot. It is in control of nothing. This is ridiculous.

**Deputy Seán Power:** In the budget it was very important to take not just the tough decisions but the correct ones. We can talk about alternatives but when we consider the level of expenditure in this State on social welfare, we were left with no option——

**Deputy Róisín Shortall:** We have heard this guff already from the Minister.

**Deputy Mary Hanafin:** He is as entitled to speak as anybody.

**Deputy Seán Power:** ——but to make adjustments.

**Deputy James Bannon:** There has been years of waste.

**Deputy Seán Power:** They have been difficult.

**Deputy James Bannon:** There is a PPARS system that does not work.

**Deputy Seán Power:** I do not doubt that the decisions——

**Deputy James Bannon:** I could list the failures for the next two hours.

**Deputy Seán Power:** I would be grateful if the Deputy did not.

**Acting Chairman:** Deputy Bannon should allow Deputy Power conclude.

**Deputy Seán Power:** I have no doubt that the decisions made last Wednesday will have a serious impact on many families and create difficulties for them. We must all play a part as much as possible. We are explaining to the people that although we appreciate that we are creating difficulties and there will be a certain short-term hardship, we believe it will result in a long-term gain. It is important to take the tough and correct decisions now.

**Deputy Róisín Shortall:** Is the Deputy experiencing much hardship? Has he ever experienced hardship?

**Deputy Seán Power:** The Deputy should listen.

**Acting Chairman:** Deputy, please.

**Deputy Róisín Shortall:** It is important that his constituents know. You are cutting welfare entitlements.

**Acting Chairman:** Deputy Shortall should address her remarks through the Chair.

**Deputy Seán Power:** I have listened to the debate but the Deputy is trying to interfere and interrupt everybody. If you have something constructive we will listen to what you have to say.

**Acting Chairman:** Deputy Power should also address his remarks through the Chair.



**Deputy Seán Power:** I will. We realise that the decisions made last Wednesday will create difficulties but we are convinced the decisions are the right ones in the long term and in the best interest of this country.

**Deputy Mary Hanafin:** I find it extraordinary that some Members of the House think they are the only people with the right to speak, or that they have the monopoly on care and consideration.

**Deputy Arthur Morgan:** We are not allowed to speak because of the guillotine.

**Deputy Mary Hanafin:** We are fortunate because in our democracy every Member of this House has a right to contribute. I appreciate the comments of people coming from various perspectives and taking the time to consider all the elements of this legislation properly, which is what we are here to do this afternoon. People were here until 11 p.m. last night and were not disruptive, and those who were here spoke on behalf of the various constituent groups being affected by this legislation. That is important.

I did not answer a question from Deputy D'Arcy on the administrative budget. The administrative budget of the Department of Social and Family Affairs is 0.51% of total expenditure and we aim to keep it as low as possible. The same goes for other Departments but the administration of other Departments is also tied to the public pay sector, which will be affected.

**Deputy Michael D'Arcy:** There has been no saving at all.

**Deputy Mary Hanafin:** A number of issues have been raised and there is no point in just talking about the overall economic position when we are dealing with specifics. Structural change had to be brought about, which meant expenditure had to be reduced, and that would have a bearing next year and the year after. It is not just a simple case of bringing all this in with revenue. We had to reduce expenditure across Departments.

This is about opportunities and security, and it concerns giving those young people hope for the future. There will not be jobs, opportunity or security for those young people unless we get this country's finances right. That is what we are endeavouring to do in this budget, although we appreciate the difficulties that has caused for the significant number of people who will feel its impact.

Deputy Kathleen Lynch has a genuine interest in many different issues surrounding disability and all welfare recipients. I respect that. The idea of giving more people secondary benefits is curious when there is much evidence showing that secondary benefits cause people who might be in a position to get off welfare not to want to get off it. Nobody will say that the rates will keep people on welfare but when welfare recipients know they can get household benefits, free travel, rent supplement and mortgage interest supplement they can become trapped.

I am not sure that extending secondary benefits to more people will help them to break away from the welfare system, although it will assist financially. On the other hand, a person could be on the widow's contributory pension and be able to work anyway. I fully appreciate the issues involved for widows.

We are going back around the houses with the other issues brought up. Deputy Tom Sheahan asked about contingency. The figures for the Department were worked out on the basis of 460,000 people unemployed on average. On the one hand we are anticipating that, unfortunately, approximately 70,000 more people will lose their jobs but all the evidence indicates that the live register has stabilised. We were in a horrific position last January when 1,000 people per day were losing their jobs. I am sure Deputy Sheahan will be well able to ask his own questions.

Fortunately the position has now stabilised because that was an horrific position for everybody involved. The average figure for next year has been revised downwards. It is anticipated that if growth returns to the country in the second half of next year, employment will be a bit slower to follow. Notwithstanding the cuts being made in the budget, there is an additional allowance of €676 million in this Department. God forbid, if there should be any increased demand, the budget will have to grow because these are demand-led schemes. That is our best estimate.

Question put.

The Committee divided: Tá, 80; Níl, 75.

Tá

Ahern, Dermot.  
 Ahern, Michael.  
 Ahern, Noel.  
 Andrews, Barry.  
 Andrews, Chris.  
 Ardagh, Seán.  
 Aylward, Bobby.  
 Brady, Áine.  
 Brady, Cyprian.  
 Brady, Johnny.  
 Browne, John.  
 Byrne, Thomas.  
 Calleary, Dara.  
 Carey, Pat.  
 Collins, Niall.  
 Conlon, Margaret.  
 Connick, Seán.  
 Coughlan, Mary.  
 Cowen, Brian.  
 Cregan, John.  
 Cuffe, Ciarán.  
 Cullen, Martin.  
 Curran, John.  
 Dempsey, Noel.  
 Devins, Jimmy.  
 Dooley, Timmy.  
 Fahey, Frank.  
 Finneran, Michael.  
 Fitzpatrick, Michael.  
 Fleming, Seán.  
 Flynn, Beverley.  
 Gogarty, Paul.  
 Gormley, John.  
 Grealish, Noel.  
 Hanafin, Mary.  
 Harney, Mary.  
 Haughey, Seán.  
 Healy-Rae, Jackie.  
 Hoctor, Máire.  
 Kelleher, Billy.

Kelly, Peter.  
 Kennedy, Michael.  
 Killeen, Tony.  
 Kitt, Michael P.  
 Kitt, Tom.  
 Lenihan, Brian.  
 Lenihan, Conor.  
 Lowry, Michael.  
 McEllistrim, Thomas.  
 McGrath, Mattie.  
 McGrath, Michael.  
 McGuinness, John.  
 Mansergh, Martin.  
 Martin, Micheál.  
 Moloney, John.  
 Moynihan, Michael.  
 Mulcahy, Michael.  
 Nolan, M.J.  
 Ó Cuív, Éamon.  
 Ó Fearghaíl, Seán.  
 O'Brien, Darragh.  
 O'Connor, Charlie.  
 O'Dea, Willie.  
 O'Flynn, Noel.  
 O'Hanlon, Rory.  
 O'Keeffe, Batt.  
 O'Keeffe, Edward.  
 O'Rourke, Mary.  
 O'Sullivan, Christy.  
 Power, Peter.  
 Power, Seán.  
 Roche, Dick.  
 Ryan, Eamon.  
 Sargent, Trevor.  
 Scanlon, Eamon.  
 Smith, Brendan.  
 Treacy, Noel.  
 Wallace, Mary.  
 White, Mary Alexandra.  
 Woods, Michael.

Níl

Allen, Bernard.  
 Bannon, James.  
 Barrett, Seán.  
 Behan, Joe.  
 Breen, Pat.  
 Broughan, Thomas P.  
 Bruton, Richard.  
 Burke, Ulick.

Burton, Joan.  
 Byrne, Catherine.  
 Carey, Joe.  
 Clune, Deirdre.  
 Connaughton, Paul.  
 Coonan, Noel J.  
 Costello, Joe.  
 Coveney, Simon.

Níl—*continued*

Crawford, Seymour.  
 Creed, Michael.  
 Creighton, Lucinda.  
 D'Arcy, Michael.  
 Deasy, John.  
 Deenihan, Jimmy.  
 Doyle, Andrew.  
 Durkan, Bernard J.  
 English, Damien.  
 Feighan, Frank.  
 Ferris, Martin.  
 Flanagan, Charles.  
 Flanagan, Terence.  
 Gilmore, Eamon.  
 Hayes, Brian.  
 Hayes, Tom.  
 Higgins, Michael D.  
 Hogan, Phil.  
 Kehoe, Paul.  
 Kenny, Enda.  
 Lee, George.  
 Lynch, Ciarán.  
 Lynch, Kathleen.  
 McEntee, Shane.  
 McGinley, Dinny.  
 McGrath, Finian.  
 McHugh, Joe.  
 McManus, Liz.  
 Mitchell, Olivia.  
 Morgan, Arthur.

Naughten, Denis.  
 Neville, Dan.  
 Ó Caoláin, Caoimhghín.  
 Ó Snodaigh, Aengus.  
 O'Donnell, Kieran.  
 O'Dowd, Fergus.  
 O'Keefe, Jim.  
 O'Mahony, John.  
 O'Shea, Brian.  
 O'Sullivan, Jan.  
 O'Sullivan, Maureen.  
 Penrose, Willie.  
 Perry, John.  
 Quinn, Ruairí.  
 Rabbitte, Pat.  
 Reilly, James.  
 Ring, Michael.  
 Shatter, Alan.  
 Sheahan, Tom.  
 Sheehan, P.J.  
 Sherlock, Seán.  
 Shortall, Róisín.  
 Stagg, Emmet.  
 Stanton, David.  
 Timmins, Billy.  
 Tuffy, Joanna.  
 Upton, Mary.  
 Varadkar, Leo.  
 Wall, Jack.

Tellers:Tá, Deputies Pat Carey and John Cregan; Níl, Deputies Paul Kehoe and Emmet Stagg.

Question declared carried.

Progress reported: Committee to sit again.

### Personal Apology by Deputy.

**An Ceann Comhairle:** I call on Deputy Gogarty to make a short statement to the House.

**Deputy Paul Gogarty:** I wish to apologise to the House and to the Acting Chairman who was presiding earlier. Under the salient rulings of the Chair, No. 428, the terminology I used was not included in the list. However, No. 431 rules that political charges are in order but personal charges will not be made, Members must not be thin-skinned in relation to political remarks. I was thin-skinned and I should not have used unparliamentary language and I apologise profusely to the House.

**Deputy Charles Flanagan:** The Deputy is a disgrace.

**Deputy Alan Shatter:** Remind us, what did the Deputy say?

**Deputy Bernard Durkan:** The Deputy should apologise to those who will be punished by this Bill

**Deputy Olivia Mitchell:** Is that what one would call a mental reservation?

**Deputy Lucinda Creighton:** I wish to place on the record my objection to that half-hearted mealy-mouthed apology to this Chamber. It represents the greatest display in arrogance and

contempt for colleagues in the national Parliament. I call on you, a Cheann Comhairle, to suspend that Member from the House.

**An Ceann Comhairle:** These matters are considered by another body.

**Social Welfare and Pensions (No. 2) Bill: Committee and Remaining Stages (Resumed).**

Section 5 agreed to. SECTION 6.

**An Ceann Comhairle:** Amendments Nos. 2, 3, 4, 6 and 7 are related and may be discussed together.

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** I move amendment No. 2:

In page 5, lines 21 to 24, to delete paragraph (b) and substitute the following:

“(b) in section 142A (inserted by section 6(c) of the Act of 2009)—

(i) in subsection (1)(a), by substituting “22” for “20”,

(ii) by substituting the following paragraph for subsection (4)(a):

“(a) the period of interruption of employment commenced on or before 30 December 2009 and where, in the period prior to that date, the claimant was not a person to whom this section applied,”,

and

(iii) in subsection (4)(d), by substituting “22” for “20”,.”.

In order to incentivise young jobseekers to avail of education and training opportunities and to try to avoid them becoming welfare dependent from a young age, sections 6 and 13 of the Bill provide for reduced rates of jobseeker’s allowance and supplementary welfare allowance to people aged 20 to 24, inclusive. The rate of jobseeker’s allowance for new claims is being reduced to €100 per week for 20 to 21 year olds and €150 per week for those aged 22 to 24, inclusive, who are not in training or education. The basic rates of supplementary welfare allowance for new claims for those under the age of 25 are also being reduced to ensure that people affected by the reduced rate of jobseeker’s allowance do not have recourse to a basic social welfare top-up, the net effect of which would be to negate the jobseeker’s allowance measure.

The purpose of amendments Nos. 2, 3, 4, 6 and 7 is to ensure that existing 18 and 19 year olds in receipt of the reduced rate jobseeker’s allowance of €100 will continue to receive this reduced rate on reaching age 20, if they are still unemployed.

**Deputy Denis Naughten:** As a result of the changes being made, what will happen on the occasion of the 21st birthday of those people who will already have had their payments cut?

**Deputy Mary Hanafin:** I do not understand the question.

**Deputy Denis Naughten:** The payments of those under 20 will have been cut already under the April budget. These amendments extend that to their 20th birthday from their 19th. What happens when they pass 20 into the new threshold of €150?

**Deputy Mary Hanafin:** The €150 payment applies to 22 year olds.

**Deputy Denis Naughten:** Okay. What happens those people when they reach their 22nd birthday? These are people who will already have had their payment since the April budget and it applied up to their 19th birthday. Will those people go onto the full rate or will they move on to the reduced lower rate? There is some confusion in that regard.

**Deputy Mary Hanafin:** The upshot of this amendment would be that jobseekers aged 18 to 21 would be on €100 a week if they were not in education and training and those aged 22 to 24, irrespective of whether they start *ab initio* at that stage on jobseeker's allowance or whether they are moving on from having been on the €100 rate at 21 years of age, would go onto €150.

**Deputy Denis Naughten:** It seems then the announcement made by the Minister for Finance on the budget was incorrect. He said the new reduced rates were for new applicants. It seems now they include people who already suffered the cut as younger groups. They are also being penalised, even though they are not new applicants.

**Deputy Mary Hanafin:** Somebody who is currently 22 who receives the full adult rate will continue to receive that full adult rate. If a new person comes in at 22 years of age, that person will receive the reduced rate of €150. Someone who is 18 or 19 and who remains unemployed and is not participating in education or training, will get €100 at 20 or 21 and €150 at 22.

**Deputy Denis Naughten:** My point is these are existing applicants, not new applicants.

**Deputy Mary Hanafin:** The whole intention is to ensure that these people are not unemployed when they are 24.

**Deputy Denis Naughten:** We would all hope that. As I mentioned earlier, Fine Gael has put forward detailed proposals for getting these people back into work. However, my point is that, when the Minister for Finance addressed the House on Wednesday, he stated these reduced payments would apply to new applicants only. This Minister is now telling us that is not the case and that people who are already signing on the live register who are under 20 will also be penalised.

**Deputy Mary Hanafin:** I am not saying that because they will receive more money when they are 22. They will move from the rate of €100 to €150. However, they will be a new 22 year old at that stage. At ages 18 to 21 they will get €100 and at 22 to 24 they will get €150, unless they are participating in education and training. What this amendment allows is that somebody who is already on the €100 rate at 18 and 19 will not move on to the top rate at the age of 20, but continue on €100.

**Deputy Róisín Shortall:** The Labour Party is opposed to this amendment. We are very much in favour of young people having access to training, education and work opportunities. We do not believe any young person should go directly from school on to the dole. That is our view and we feel that many other opportunities should be provided for them to increase their chances of being able to secure employment.

Whatever about the original thinking behind the approach last April, what has happened in practice is a matter of serious concern. When these changes came in last April for people under 20, it was portrayed at the time as a reasonable proposal that a young person who refused training or work placements would have their payment cut. However, the reality was different. It was a unilateral decision to cut jobseeker's payment for all those under 20. The Minister is now proposing to extend that to those under 22 and to reduce it for those up to 25. That would

be fine if there were training and educational opportunities available to people. However, there is nothing like enough places available. Of all the under 20s who had been claiming jobseeker's allowance since April, 74% are still on the reduced rate, so these people have not managed to get a training or education place. Of the remaining 26%, many of them would not come into the bracket because they have dependants, so much less than 20% of the under 20s have been accommodated on a training course. It is not progress to force people in their late teens or early 20s to live on €100 per week. In the case of people who are living at home, it could be a lot less than that.

The figures have shown that the State is not in a position to provide the necessary training courses. We are not prepared to accept a proposal to extend that penalty of a half rate jobseeker's payment to people in their early 20s. There has been a big switch to short-term training. FÁS provides many short courses lasting one, two or three weeks. A person might get onto a course that lasts a few weeks. He or she gets the full rate, the course comes to an end and he or she goes back onto €100 per week. Nobody can provide that person with another training course.

What happens to a 21 year old, well qualified graduate who comes out of college and cannot obtain employment? It would be fine if there was plenty of employment available and the problem was that people were not taking the jobs that are available. However, that is not the problem because there are no jobs for young people. The Minister should speak to constituents who have had the soul destroying experience of handing in their CVs doing everything they can to get a job, but the jobs just are not there. A person comes out of college with a good degree but has no chance of getting a job. He or she is hanging around waiting for something, because there is no training available. What kind of training will be provided to somebody who has a very good honours degree? Can meaningful and relevant training be provided to a person like that? Can it be provided over a number of years until the person reaches 25, during which time he or she is expected to live on €100 per week?

This measure is a kick in the teeth to our young people who have worked hard through school and college to get good degrees. The Government is telling them that there is no place in Ireland for them at the moment and that they would be better off emigrating. That is the wrong message for us to be sending out to our young people, which is why the Labour Party is rejecting this proposal.

**Deputy Enda Kenny:** As a former *múinteoir*, the Minister will know that many young people, particularly those between 18 and 23, who participate in a FÁS course have a very high drop out rate, and many of them have serious literacy and numeracy problems. Putting up a barrage of so-called courses will be of no benefit to many of these young males. The Minister should consider putting forward aggressive, constructive courses of 12 to 13 weeks' duration, containing classes of no more than 14 and which deal with their particular educational problems. There is no point in bringing them to a short-term course just because they are young people. They have particular problems with numeracy and literacy, and the Minister could avail of the many young teachers who are qualified to teach those courses. These courses could be better managed by FÁS than NALA, which might not have the capacity to deal with that range. This is a socially constructive suggestion. I know many of these young people and they have problems that will not be sorted out by a course for the sake of having a course.

The Minister should look at the statistics for young males between the age of 18 and 23 who drop out. The capacity exists to have really good, aggressive courses that deal with their educational problems. There are qualified teachers hanging around unemployed and they could

[Deputy Enda Kenny.]

usefully do this in a very constructive fashion. It could be managed under the aegis of outreach courses at FÁS. If the Minister takes the time to talk to many of those directors around the country who do a first class job, they will tell her to do exactly what I am putting forward.

**Deputy Seán Sherlock:** There are approximately 69,500 people aged under 24 on the live register. The Minister for Finance claimed in his speech that he will make 26,000 training places available. Therefore, we cannot force all of those people into training schemes because there are simply not enough places. Many of those are graduates who will be over qualified for the type of training places I imagine will be envisaged under this proposal.

We are now in a situation where parents, especially those in the public sector who are in the €30,000-45,000 income bracket and who have seen their incomes reduced, will see a further squeeze on their finances if they have children who have recently graduated living at home who may not fit the type of training schemes that are envisaged. Under section 3, the Minister has already acknowledged there will be a *pro rata* decrease, depending on means. I understand that the minimum amount for which somebody living at home could be eligible is about €30. That is pocket money and it reduces the dignity of people who qualify from third level education and who continue to live at home.

There are over 69,000 people aged under 24 on the live register and a significant number of them are graduates who cannot get a job. The logical conclusion — I say this rationally and without emotion — is that many of the people to whom I refer will be obliged to migrate to some other part of the world to obtain employment.

In the past ten years, Australia was the new Klondike and it was a good place for people in their early 20s to go. However, this choice is no longer available because the employment situation in Australia is not as good as previously. It appears Canada is the new Klondike for many people. However, employment opportunities there will also soon dry up. As a result, a significant number of people under the age of 25 will be obliged to reside at home with their parents. These individuals will be obliged to survive on incomes of €30 or €40 per week and this will place an increased burden on their parents.

What we needed in the budget was some degree of programming which would ensure that people would not be obliged to take up positions on Mickey Mouse courses in order to maintain their social welfare payments. The Government should have put in place a proper, well thought out, structured programme of internships. This would have allowed the people to whom I refer to use the knowledge and qualifications they possess.

The Minister should think about things in a more lateral fashion. If she is going to put in place schemes, these should be properly thought out. People's entitlements should not be cut until they can be given positions on meaningful courses or be provided with internships. If they are afforded such opportunities, it will assist them in getting back into the workplace. My party is opposed to this amendment because it will place further hardship on low-paid parents whose sons and daughters under the age of 24 continue to live at home.

**Deputy Michael Creed:** The saddest testimony to the mismanagement of the economy in recent years is the fact that 83,362 people under the age of 25 are unemployed. In November 2007, some 62 people under the age of 25 in my home town of Macroom were listed as unemployed. By November 2009, this had risen to 287 — a 362% increase over two years. In Newmarket, which is in my constituency, in November 2007, some 73 people under the age of 25 were listed as unemployed. By November 2009, the figure was 313 — an increase of 328%. They are real people, with real hopes, aspirations and dreams. They want to settle down, start

families and get on with their lives. That which is proposed in the Bill will oblige them to put their lives on hold.

The budget does not offer these people an overall framework in the context of advancing their livelihoods or improving their economic or social circumstances. That is a sad indictment of the Government's mismanagement of the economy and of the Minister's lack of vision. The Minister has an inability to think outside the box. She is obliged to cut her budget but there is no cross-departmental approach involving her Department and the Departments of Enterprise, Trade and Employment and Education and Science to the problems to which I refer.

Many of the 83,000 people under the age of 25 who are unemployed were seduced by the money that was available on building sites. They left school and did not pursue third level options and, as Deputy Kenny stated, they are now in desperate need of retraining. I do not have any confidence in FÁS's capacity to provide these people with training opportunities. That organisation is bereft of any credibility. This is particularly disappointing because we need an organisation such as FÁS to step into the breach. Identifying training needs and directing people to FÁS will not achieve the kind of fundamental reskilling required by those who were formerly employed on building sites.

There will be many third level graduates who will have no alternative but to emigrate. The loss to our economy, which has helped educate these people to a very high standard, will be significant. There is a need to think outside the box in the context of offering incentives to companies which might offer these people internships. Perhaps financial assistance could be provided and these individuals could continue to draw jobseeker's allowance, which could be topped up by an employer. Local authorities could provide young graduate engineers and architects with opportunities. There is a major deficit of architectural flair among our various local authorities. The graduates to whom I refer could be given some basic work experience by the authorities and this would then assist them in gaining more permanent job opportunities.

The budget, which lacks vision, does not offer these people any hope. That is the real tragedy with regard to where matters stand in the context of unemployment. Fine Gael published a range of initiatives which, if adopted, would take up to 50,000 young people off the live register in the coming 12 months. I regret to say that the Minister's lack of vision will consign the energy, abilities and dreams of these people to the dustbin for a further 12 months.

**Deputy Willie Penrose:** I am my party's spokesperson on enterprise, trade and employment and for the past number of months I have been exhorting the Tánaiste and Minister for Enterprise, Trade and Employment to take proactive and positive steps in respect of this matter. On all occasions, the Tánaiste indicated to me that she was working in conjunction with the Minister for Education and Science to see what could be done. However, the budget does not appear to bestow any great credence on that assertion. The budget contains many references to places on courses, etc. However, most courses are bursting at the seams. How, therefore, are we supposed to get people back to work or encourage them to retrain or return to education?

It is peculiar that, in the context of the €50 and €100 reductions in weekly income, this is the one area in which the Government wielded the axe in a manner that was even more vicious than suggested in the McCarthy report. Why was that the case?

It would have been better if the Minister had, in conjunction with the Tánaiste and Minister for Enterprise, Trade and Employment, reconsidered the position with regard to the back to work and back to education allowances. In addition, the Government should do away with the nonsense of putting in place bureaucratic hurdles which prevent people from taking up training



[Deputy Willie Penrose.]

or educational opportunities for three or six months. If a person wishes to return to education, he or she should be allowed to do so. He or she should not be obliged to jump through hoops or be made to sign on for social welfare before being able to avail of a training or educational opportunity. All the obstacles should be removed. Repackaging the old solutions is a waste of time because circumstances have changed.

Ireland has the second highest rate of unemployment among young people in western Europe. One third of men under the age of 25 and one quarter of all young people are unemployed. I cannot see how the proposal before the House is going to help. It would be fine and dandy if opportunities were available. Where are those opportunities? How can people obtain meaningful training opportunities? It is no use putting someone in a room, giving them a telephone and explaining how to make or receive a call or record a message. The training opportunities offered to young people must be meaningful in nature and must lead on to something positive. We must also find a way to allow people to participate in education. The Government's response to the current difficulties has been completely inadequate. In the context of scale, it has been deficient and from the perspective of effort, it has been abysmal. As Deputy Sherlock stated, the Government lacks imagination and vision. Both of these are critical.

The Labour Party brought forward a document relating to this matter. The Labour Party finance spokesperson, Deputy Joan Burton, will speak further on this. We spent ages trying to get agreement for graduate and back to work schemes and internships at local authorities and public bodies. I raised this at the meeting of the Joint Committee on Enterprise, Trade and Employment. We invest a major amount of money in our education system and produce top class graduates. I spoke to someone yesterday about fourth level education, an area that might become very productive. What do we do with these people?

This proposal is a charter for emigration. I can name areas affected in my constituency. My uncles said the one thing they got from de Valera was a one way ticket and they never came back after leaving in 1949, 1953, 1954 and 1956. This is a reversion to a tried and trusted policy when there is a problem. It is made so difficult to remain that people emigrate. We lose a generation of people with skills and education. If we are to get out of the problem we are in, education is the key and these people will be part of the rejuvenation. For the sake of a measly few euro, we could sink. It is time we got something going in this regard.

Those who complete college need work experience. If one has completed a degree, one either progresses to a masters degree or needs work experience to progress to a job. These people do not need further education and training but they will now be left in limbo. At the end of 2006, there were only 24,000 categorised as unemployed young people. There has been more than a trebling of the figure. Last April, 2,000 places in the workplace scheme were announced. Of these, 500 were for people under 25. That was welcome because it was a recognition of the situation. However, the programme never got out of the traps. It was like a greyhound that lay down in that trap when one expected it to cross the line 30 seconds later. Nothing happened. By 1 December, approximately 129 people had taken part in it. Deputy Upton knows more about this subject than me, having worked in the higher education sector. That amounts to one work placement for every 3,300 people on the live register.

**Deputy Mary Upton:** I have become allergic to the use by Members on the Government benches of the terminology of the vulnerable and the weakest in our society. Everything in this budget is driven in the opposite action. The weakest and most vulnerable are the victims of

this budget. I do not want to hear the terms used again because I cannot buy into the philosophy put forward.

I calculate that there are approximately 3,000 people under the age of 25 on the live register in the constituency of Dublin South-Central. I base this information on figures from the National Youth Council of Ireland and extrapolating from the three social welfare offices that serve the constituency. The constituency has been badly served for many years. In recent times, there was a lift and matters were moving forward. Better education facilities were provided. If we now have 3,000 young people hanging about with no opportunities, any progress made will be reversed.

Regarding graduate placements and training, what are the retraining opportunities for a young architect of 23 years of age with a good degree? Is the person to be retrained as a chef or a carpenter? There seems to be a lack of fit between the people in need of retraining and the training opportunities available. It does not add up, nor does it make sense. There is no thinking outside the box, as another speaker commented, to try to find appropriate training and education provision for young people in that age bracket.

**Deputy George Lee:** One of the major issues in this Bill concerns young people and discrimination on the basis of age. It is clear this is a new measure in the social welfare Bill. The treatment of people between 20 and 25 is based purely on age. The Equality Act is key legislation. Under this legislation, it is not legal to discriminate on the basis of age unless one can find objective justification for it. Has the Government taken legal opinion on the issue of objective justification for discriminating between a 24 year old and a 25 year old in respect of jobseeker's allowance? Will the Minister for Social and Family Affairs publish the legal opinion highlighting the objective justification for this discrimination? Can the Minister assure us this is not illegal? This comes from EU law.

I refer to our Constitution, under which all people should be held equal in the eyes of the law. This focuses on the differences in capacity, whether physical, moral or of social function. It is conceivable that the State can differentiate if some justification can be found in respect of differences in capacity physical, moral or social function. In respect of this discriminatory legislation, has the Minister received any legal opinion on the differences in the moral, physical and social functions of a 24 year old and a 25 year old? On what basis is it conceivable that the differentiation between someone who is 24 and someone who is 25 can be made on the basis of fairness, justice and our Constitution? It strikes at the heart of fairness and it undermines the thrust of the whole social welfare Bill. Suddenly, this year, one can say there is a difference between two people of different ages, whether 21 and 25, 22 and 25 and most particularly 24 and 25. Is there some change in physical appearance or skill? All are fully qualified and most likely have experience. They have lots of things going on in their lives and most likely they have the same pain and sense of letdown as victims of the economic collapse, due to the economic decisions of the Government in recent years and the way it blew the boom, something to which these young people were not party. In what way is it conceivable to find objective justification for the discriminatory legislation to make a distinction between these people? This requires an answer before anyone can proceed to vote for this legislation.

**Deputy Aengus Ó Snodaigh:** Mar aon le daoine eile, nuair a d'ardaigh mé ceist faoi na daoine atá faoi 25 bliain d'aois, luaigh mé na figiúirí faoin méid de na daoine sin atá as obair faoi láthair, 74,100 daoine. Dar ndóigh, beidh níos mó as obair amach anseo. Chonaic mé fógra tamall ó shin agus chonaic mé go bhfuil níos mó daoine á chur as obair i gCaisleán an Bharraigh inniu mar tá comhlacht mór ag dúnadh agus ag cur 65 daoine ar an scrap heap sin, an dole.

[Deputy Aengus Ó Snodaigh.]

Déan buille fé thuairim cé mhéad daoine ina measc iad siúd atá faoi 24. An mbeidh siadsan cláraithe mar daoine dífhostaithe roimh an spriocdáta. Cé mhéad díobh a mbeidh thíos leis maidir leis an liúntas toisc an cinneadh atá glactha ag an Rialtas?

Aontaím leis an méid a bhí le rá ag an Teachta Lee. Luaigh mé níos luaithe gur shíl mé go raibh idirdhealú mídleathach á dhéanamh anseo ó thaobh aois de. Ba mhaith liom dá bhfeiceadh muid duine óg ag tógaint cáis i gcoinne an Rialtais de bharr go bhfuil an idirdhealú seo á dhéanamh. Más saoránach duine agus aois 18 sroichte aige nó aici, is saoránach an duine sin le cearta uile iomlán an shaoránaigh, seachas ceann nó dhó. Mar shampla, ní féidir a bheith mar Uachtarán na tíre seo mura bhfuil aois 35 sroichte ag duine. Seachas sin, níl aon eolas agam faoi aon idirdhealú eile a dhéantar i gcóras an Stáit maidir le daoine atá idir 18 agus 24.

I am reiterating what I said earlier so I will not go on for too long because there are other matters to discuss. Deputy Upton mentioned the figures for Dublin South Central. There are 918 people in Ballyfermot alone because the dole office there deals only with Dublin 10. There are no jobs in Ballyfermot and there are no additional training places there. Every community employment course or job initiative programme that was available is over-subscribed. Where are these 918 people, and every young person who will become unemployed after 1 January, to go? They will not have places because the Government schemes have not delivered education, retraining or work placement.

I agree with those Deputies who mentioned graduates. People will qualify next June as engineers, scientists, physicians, computer technicians and what-not and there will be nothing for them to do. The Government has made no plans to create jobs to ensure that the State's investment in those graduates remains here. The only thing the Government seems willing to do is to kick them further away. It is hard enough being a young person starting off in any job, when there are jobs, but worse to be told that the Government will hammer one when one finishes college next June. The Government's alternative seems to be to release the safety valve and send them off on the *bád bán*, somewhere else in the world and make them somebody else's problem. That is bad economics because the Government will have lost the investment of 18 or 22 years of education in those young people.

I will not quote the Proclamation but cherish the young people means ensuring that when they have finished their education, they get a chance. There is no chance because the Government has not woken up to the fact that post-leaving certificate courses are five times over-subscribed. People cannot get onto the courses available. Most of the people on the courses do not come from Ballyfermot. They come from elsewhere, which is good but it means that there are fewer courses. The FÁS courses in Ballyfermot are out the door. Due to the Government cutbacks in FÁS, there are fewer courses available. There is a logic to that because the construction industry has collapsed so there is no point training hundreds of electricians or bricklayers because there are so many available already.

What training is available for those who finish their leaving certificate next year? Where are the courses? What is the plan for the economy? Is it a knowledge economy? If so, the Government needs to start investing in it but there is no investment. There is nothing for those who get degrees as computer engineers or scientists because two years into this economic crisis the Government has not had the cop on to roll out a proper investment in the future. There is no jobs stimulus package. If we do not start one, other countries will attract the jobs that we have earmarked and we will be left with the dregs and will have to suffer a recession for much longer than we should have to.

**Deputy Denis Naughten:** I had hoped to speak to the section but everyone is speaking to the amendment. Young people are looking for jobs. They need the hope of a job but nothing was presented in the budget to give them that hope. One in four young people is out of work. The Minister says that the thinking behind this measure is to give people an incentive to get into a training course but the courses are not being provided. While €56 million is being made available for short-term FÁS courses, €48 million is being stripped from the supports such as youthreach, vocational education training opportunities and student grants. The net amount made available for young people is a paltry €8 million.

We in Fine Gael want to provide extra opportunities for young people by taking some of the savings that could be made in the overall social welfare budget to try to get young people off the live register and use the funds that would make available to create 13,000 graduate internship places, 10,000 second chance education scheme placements and an extra 5,000 community employment scheme places, along with 10,000 jobs as a result of a workshare scheme. They are real places for young people on the live register who do not have hope.

The Government is putting resources back into FÁS, an agency that has been discredited. It did not deliver for young people during the good times and will not deliver for them in the current climate. It is disappointing that the Government has decided to make an across the board cut in payments to young people, telling them to get onto training courses without providing the opportunities for them to avail of those courses. We need to give our young people hope and the only way we can do that is by giving them training places and job opportunities. We in Fine Gael have set out detailed proposals for creating job and training opportunities that would give them the hope they need and ensure that next January they do not have to go to Dublin Airport or any other airport to emigrate. This will be a very dark Christmas for many families with young people at home when on Christmas day parents look around the table and think that this may be their son's or daughter's last Christmas at home as a result of the failed policies of this Government.

**Deputy Joan Burton:** I am mystified by the dedication of €56 million to short FÁS course which the budget documents describe as ten to 20 week courses. As has been said by many other speakers, the short courses in FÁS, some of which, as Deputy Shortall said, are actually only of two to three weeks' duration, are of seriously limited value except where they are provided as part of an arrangement with an employer. I say this as one who has worked much in third level education. It is a form of insanity.

I do not know why the Government has not attempted to reform FÁS. I know it is not the Minister's brief but it is deeply disappointing to see that the only public information about FÁS this week is that the former director general, as part of his very generous package, has got a car worth €60,000. I do not particularly expect the man to go around on a bike or anything like that but it is unbelievable that FÁS is provided for in this way.

The Department of Enterprise, Trade and Employment is minus €50 million in the budget figures. That sum is made up, as has been said, of reductions to CE, to job initiatives and to Skillnets, which most Deputies would agree is actually pretty effective. They are all going down and, in return, we are getting €56 million in short courses of ten to 20 weeks duration, as described in the budget documents, and €20 million in activation measures. For the love of God, what about some of the people who are coming out of construction? They have worked hard, are very intelligent and have done well. They will be unemployed until they find something else to do in this economy. Even when construction picks up again, it will never be at the same level. Many of them need to be able to go back to school and college to qualify for areas like IT or engineering, where eventually there will be

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[Deputy Joan Burton.]

jobs. Instead, what they are being offered is these hopeless short courses of ten to 20 weeks duration, many of them provided by FÁS contractors. Let us face it, in everything we have heard about FÁS over the past year or so, we learned that many of the FÁS contractors have party political affiliations to Fianna Fáil. One wonders what is going to happen to the €56 million and €20 million.

The €20 million is in regard to activation measures. I hope the activation measures are open to private employers, NGOs and public sector bodies. We have put forward a graduate internship programme as a bridge to employment. Professor Blanchflower, a former member of the UK's Monetary Policy Committee, was in Dublin a month ago. I met him at length because he is one of the world's experts on unemployment among young people. There is so much research in this and other countries to show that if somebody becomes unemployed when they are a young adult aged 18 to about 25, the longer the unemployment lasts and the more scarring it is. If it lasts for more than a year and a half, the effects are still felt by most of those individuals when they are 40, because they have basically missed out on a critical time in their life when they are full of hope, expectation and energy, and want to do something. It is the time when they want to be their own person and want to be an adult — they want to be man out on a construction site, working with construction workers. Instead, what they are being offered is a diet of getting up late in the morning, watching videos. It is a lifestyle everyone here is familiar with and it is not conducive to strong personal development. Ten to 20 week courses are not the solution to that.

If the Government wants to spend that money, it could provide 10,000 places in community colleges and colleges of further education in the VECs, where there is a huge oversubscription by people looking for one to two year courses. That would then enable those people to go back to college and get a serious qualification for areas of the economy where there are and will be job vacancies, particularly through foreign direct investment. Just to pump it into FÁS without that organisation being reformed seems to be extraordinarily lax.

I wish to refer to fourth level researchers. We enticed back to Ireland some of the most qualified fourth level graduates who had done their PhDs abroad. They came back and are working in places like the centres in UCD, DCU, Trinity and DIT. Some of the teams they are working with have world class reputations. However, while they were enticed back, it was to contract employment. Many of them have commitments to mortgages because the understanding was, with the emphasis by the Government on the smart economy, that they could be looking at continued contracts for at least ten years and then have a reasonable chance of getting a tenured job in third level or direct research in industry. All of that is going by the board.

I repeat that it is extraordinary folly for the Government to impose cuts at third level of approximately 4% for all of the universities and the DIT — the Minister should look at the small print figures in the budget. Again, these are people who came back to Ireland full of hope. They were a flagship for us and letting them go is like letting go Waterford Glass and other iconic flagships, such as SR Technics, where 1,200 highly skilled people were let go due to complete ineptitude on the part of the Government, and Aer Lingus, given what is currently happening there. We need a serious revision of policy.

What is being proposed in the Bill, instead of creating a framework of hope, will actually blight areas. The areas that we all know went downhill seriously in the 1980s will now face even more blight. There are 2,500 local authority houses in the Dublin 15 area. People have been getting unemployment payments, and young people had been going on to college and

staying on longer at school. With the kind of package announced in the budget, it appears we are going back to the future in terms of reservoirs of estates where the unemployment rate will once again become very high, particularly among young men. That is a calamity and a profound social mistake on the part of the Government.

**Deputy Andrew Doyle:** When Henry Ford introduced the Model T, somebody asked him what colours would be available. He replied: “You can have any colour you like as long as it’s black.” I am afraid, for the 60,000 young people who will come onto the labour market every year and will not be able to get a job, the option at present seems to be the basic jobseeker’s benefit because there will not be enough training places available. The ways and means by which places are to be made available are not seriously being updated or reformed in line with current needs.

I support all the speakers who raised concerns about FÁS being handed the entire responsibility for retraining, and I would like to hear the Minister’s response. To begin with, FÁS has no business being involved in CE schemes. These schemes would be better in a properly resourced Department of Social and Family Affairs, so that people with a range of skills would avail of a CE scheme in order to learn, train and work. The very least we need to be able to do for young people is to tell them that at the end of this CE scheme, whatever amount of money the person gets, they will get work of value and the person will be able to look back and say: “I did something useful while I was on that scheme and it has stood me in good stead for whenever an opportunity for a proper career occurs.” It does not seem there is any emphasis on this at present.

The amount of extra provision being made is 26,000 places to bring the number up to a total of 180,000, if we are to believe the amount of people who would come in under the net as per this section. I believe it will probably be a third of that. That is not adequate training for the entire population of unemployed people.

With regard to protecting and stimulating jobs, a national retrofit programme has been announced. Will there be any cooperation with the Department of Enterprise, Trade and Employment and others in providing programmes to retrain people to roll that out? It has major potential.

FÁS must be re-evaluated, and perhaps even scrapped and something new put in its place that will be effective and credible. Members have mentioned some of the industries that have been lost, such as the sugar beet industry. If even two plants were still in place they could have been used to form a renewable energy core for rural industry. That would have helped with our carbon footprint and kept people in work, but it was let go on a whim by the former Minister for Agriculture and Food, Deputy Mary Coughlan.

**Deputy James Bannon:** Our young people have a great sense of pride in themselves, their country, their communities and parishes. Thousands of them entered their studies full of hope. They now have no prospect of a job and only €100 per week, less than a quarter of what a Fianna Fáil Minister would give as a tip in a restaurant.

In my constituency, 3,202 people under 25 are out of work. In Longford alone there are 1,078, while in Westmeath there are 2,124 people under 25 out of work. This budget will have a devastating effect on those young people who will be forced to emigrate because of what happened here on Wednesday. It will have a terrible effect on rural communities and parishes.

Earlier, I asked if the Minister had any plans to reinstate and enhance the community employment scheme, providing a greater role for VECs in training. VECs are doing a good job

[Deputy James Bannon.]

but there are proposals from Government to amalgamate them. That would not be necessary if they were given more powers.

**Deputy Denis Naughten:** They would do a better job than FÁS.

**Deputy James Bannon:** A lot of work is being done to research local history. Our tourism industry is on its knees and we could improve our signage and the whole tourism infrastructure. Our heritage and tradition has been allowed to disintegrate in recent years and there is a role for people to play in reactivating that. It would be of benefit to the entire community and would create a greater sense of pride in who we are as Irish people.

Our culture must be examined. Library services and the arts and crafts industry, sectors where we had a great deal of pride in the past, could be enhanced. Young people can get involved and it would create a greater sense of being Irish and belonging to the nation where they were born and bred instead of forcing them to emigrate.

Perhaps the Minister would elaborate on her plans to instil a greater sense of pride because there is a role there to create jobs for young people instead of putting them on aeroplanes to emigrate.

**Deputy Arthur Morgan:** Has the Government any plans to introduce a supplementary or emergency budget early next year, as happened last year, before this budget has even been passed? I ask because Deputy Gogarty stated earlier that he believed pensioners could afford to take a cut in their pension. That is what he should have apologised to the House for saying; it was a disgraceful comment. He should apologise to pensioners across the State for telling them they could afford to take a cut in his view. It is easy to say that when he is bringing home a Deputy's salary and the devil knows what else income. It was downright disgraceful.

The cut in jobseeker's allowance being introduced for under 25s is significantly more severe than was even proposed by an *bord snip nua*. The McCarthy report did not go that far.

A number of Members referred to the lack of a job stimulus packages. All three Opposition parties put forward packages. I do not agree with everything in the Fine Gael or Labour Party packages, but there are many viable parts in both of them. The Government could have looked at the Sinn Féin package, which was 100% viable.

It will be difficult to find jobs but unless the Government addresses that critical problem when trying to fix this mess, it will not be repaired. Why not take €2 billion from the National Pensions Reserve Fund and put it into critical infrastructure, particularly a school building programme? As a former Minister for Education and Science, the Minister is all too familiar with the need to develop that infrastructure and to get children out of those damp, cold, draughty portakabins that many of them must endure currently. In doing that, the tradesmen, brickies, plasterers and electricians, engineers and architects will get back to work, jobs will be created and that critical social welfare bill will be reduced.

Did the Government even consider such a move? If not, would the Minister mind sharing her views on the idea that was put to her four weeks ago by Sinn Féin? Did the Government consider any of the Opposition parties' proposals? Clearly none of them was taken on board. At least the Minister cannot say she was not told as it is a matter of record that some innovative proposals were put to her.

**Deputy Mary Hanafin:** Interesting points have been made by Deputies during the debate but to listen to some people, one would think there was not a job left in the country. We are

conscious of the numbers on the live register — 413,000 — but 115,000 of those are being supported while in employment. Sometimes we ignore that fact. They are on the live register but they are working part-time or are casual workers. They are not permanently unemployed and it is important that the social welfare system should be able to support people who are in that situation.

Every school holiday a few thousand people join the register even though they have regular employment while the schools are in operation. They end up on the register for a week or a month. In many ways they are not actively seeking work because they have a job to go back to after the holidays. I am talking about lollipop ladies and people like that. There is no problem about paying them but it is not true to say they are out of work.

There are 1.9 million people working in this country and we should not forget that. There are opportunities every day for people to get work. Our exports went up this year when those in every other country in Europe went down. We are meeting the needs of a particular market because we have well educated young people and an economic base that will attract industry.

A Deputy said the good times did nothing for young people but they did a substantial amount for them. Even in the current difficulties, in spite of some people finding it more difficult, there are still great opportunities for young people. I hope they are not depressed listening to some of the comments being made about them here.

What is being done in this budget to support them? A total of €6.5 billion is being spent on an infrastructure capital development which proportionately is the highest in Europe. This will be expended on school buildings and on infrastructure and it will keep 60,000 to 70,000 people involved in the construction industry which is a very important part of the economy. This measure is in this budget and it is a jobs stimulus.

**Deputy John O'Mahony:** There has been a reduction in the school building programme.

**Deputy Mary Hanafin:** Deputy O'Mahony was not even here. A total of €70 million was announced for the flood relief programme. This is immediate work that must be done——

*(Interruptions).*

**Deputy Mary Hanafin:** Deputy Reilly was not here either.

**Deputy James Reilly:** I was watching from my office.

**Deputy Mary Hanafin:** A total of €70 million was supplied for the flood relief programme and this will provide not only valuable work, but also valuable employment for people. The retrofitting scheme as part of a warmer homes programme will provide employment for an extra 5,000 people so these are all——

**Deputy George Lee:** What has that to do with cutting the rates of pay?

**Deputy Mary Hanafin:** ——jobs stimulus which will ensure that young people, among others, will be able to get jobs. In addition, I cite the increased money being given for tourism, the extra millions being given directly to the food industry and the employment stabilisation fund. Deputy Burton referred to the situation in which employers are unable to give full-time employment to people and they will be allowed to get them training for a couple of days a week and to keep them there. These are all the hopeful areas where people will be able to get jobs and that includes our young people. The one thing we all share here is an appreciation of



[Deputy Mary Hanafin.]

the value and the importance of proper education and training. It is interesting that whereas my proposals are that young people start on a lower rate but jump up if they participate in education and training, Fine Gael made the same proposal but came at it from the opposite perspective because their proposal was to reduce the young people's allowance who did not participate. However, our policy ideas are similar. The legal aspects of the policy have been checked out because we did that with regard to the 18 and 19 year olds earlier this year. It is an incentive for people to be able to train——

**Deputy James Reilly:** It excluded the disabled and the blind.

**Deputy George Lee:** Did the Minister get legal opinion on the case of the 24 to 25 year olds?

**Deputy Mary Hanafin:** My amendments recognise that there are people who do not have sufficient education and training to be able to benefit from whatever employment is available or will be available. I recognise that there is a difference in the older age group who may be graduates and who may be very well qualified. For that reason, my next amendment includes work placement in the scheme. They may not need further education and training but they need work experience. For that reason they will get the full rate of pay if they participate in the graduate or work placement schemes. This is a recognition of their skills.

**Deputy Andrew Doyle:** Will there be a place for them?

**Deputy Mary Hanafin:** The whole work placement scheme has been completely revised because when it was launched with very good intent, employers came back to us with the case that if they were an employer of fewer than ten people, they would be unable to take someone on but now it has been changed and they will be able to do so. We have shortened the length of time which a person has to be on the live register and we have lengthened the time in which a person can participate in the scheme. The new criteria will facilitate many more employers to take on people and many more young people to participate in the scheme. A young person of 22 to 24 years will receive €150 a week while on the live register but if they participate in either the education training or that work placement scheme, then they will get the full rate.

Deputy Kenny raised an important point about young people who may have basic literacy skills and who are not able to participate in the same level of training as others. We are very conscious of this point. I saw a very practical example in Limerick and I have asked that it be extended elsewhere. The local employment service, FÁS, and the local departmental office co-operated to profile and streamline the people who needed education and training. Instead of sending to the local employment service the 40-year old man who was well educated along with the 18-year old who had basic literacy skills, the local employment service took 18 to 19 year olds, the young people, and targeted a course for them. Deputy Jan O'Sullivan may be familiar with this arrangement. This is the type of co-operation which is now spreading throughout the country, although I accept it should have been established before this, to target people in the right direction.

Extra courses have been made available for the coming year in education and training. One of the good things about an 18 year old only receiving €100 is that it is a real disincentive for a young person to go automatically onto the live register. Contrary to what Deputy Lee thought last night, a person with a work record and who qualifies for jobseeker's benefit gets the full rate. We are talking here about young people who have never worked, who have no connection with the workforce. It is wrong to say a person who may have been working from the time he

or she was 17 will only receive €150 at age 24; such a person will receive the full rate. That is also the situation if the person has a dependent child. It is a real disincentive for an 18 year old to go onto the live register if he or she is only going to be given €100. It is a real incentive for them to continue and take up one of the 30,000 places that are on the post-leaving certificate courses. It is a real incentive for them to take up one of the 45,000 first-year places in higher education. It is a real incentive for them to participate in outreach and all the other schemes. For that reason alone, we could all point to families where fathers have taken the 18 year old young fellow and trotted him down to the social welfare office and advised him to follow on in a great family tradition. That is the type of cycle we are trying to break here.

Deputy Burton in particular asked about the national training fund, the new €20 million which is being provided. She asked a specific question and I think she will be pleased with the answer. We are looking for innovative proposals from the private sector and from the public sector to make extra provision for the unemployed. This is expected to provide about 3,500 additional training places. It is being targeted at the low skilled, at the under-35s and at those who were formerly employed in the construction, retail, and manufacturing sectors——

**Deputy Róisín Shortall:** Private sector training.

**Deputy Mary Hanafin:** This recognises there are people who are able to provide targeted different approaches. It is a little unfair of Deputies in talking about FÁS to criticise much of the local provision. There is no question about the need for the new legislation which the Tánaiste is introducing on reform of FÁS at the top level and its governance. However, local FÁS training offices around the country have started to adapt to new needs. They are bringing in people who formerly worked in the construction industry and retraining them in the retrofitting and green energy technology. This is taking place in Loughlinstown where people are being up-skilled and also in other FÁS centres around the country. It does a terrible disservice and disrespect to the local FÁS training centres to say that they are not adapting in that way because it is happening. The VECs are responding in a really positive way to the needs and there can always be a greater role for them.

**Deputy Denis Naughten:** Why is the funding being cut?

**Deputy Mary Hanafin:** Community employment schemes and work experience projects play a very valuable role. The local authorities are one group of people who have offered to take people but in these circumstances one always needs the full co-operation of the trade unions. We must ensure that taking in young people does not involve job displacement because jobs must be protected. There is plenty of scope and I believe the unions have a major role to play in ensuring that young people can get the opportunities.

Deputy Burton spoke about the smart economy. Additional money has been invested in research this year. Research and innovation are major priorities. A single line of funding has been created to ensure that there is co-operation and collaboration between the academic institutions and industry. It was never the intention that people in research would end up taking tenured posts in third level. The aim is to get them into industry, develop patents and to register them and then to start generating income, further employment and offshoot companies. Another provision in the budget is to ensure that start-up companies continue to get additional capital allowances and tax allowances and to have those extended. There are significant provisions in this budget to support the creation of employment, additional training and additional education. This section of this Bill contains an incentive to young people to take those opportunities——

**Deputy James Reilly:** To leave the country; to take the boat.

**A Deputy:** An Aer Lingus ticket.

**Deputy Mary Hanafin:** —to take the education, training and work placement and not to be destined to be one of the 423,000 people on the live register, but one of the 1.9 million people who are still working in this country. It will ensure that we turn that corner and get more of them back into work quickly.

**Deputy James Reilly:** Will the State face another large litigation bill? Has the Minister had the matter checked?

**An Ceann Comhairle:** I am obliged to respect the order of the House this morning.

**Deputy George Lee:** Before the Ceann Comhairle puts the question, I seek an answer from the Minister on my question as to whether she has sought legal advice on the measures relating to—

**An Ceann Comhairle:** As it is now 6.30 p.m., I am required to put the following question in accordance with an order of the Dáil of 10 December: “That the amendments set down by the Minister for Social and Family Affairs for Committee Stage and not disposed of are hereby made to the Bill, in respect of each of the sections not disposed of, that the section or, as appropriate, the section as amended is hereby agreed to on Committee Stage, that Schedules 1 and 2 and the Title are hereby agreed to on Committee Stage, that the Bill, as amended, is accordingly reported to the House, that Report Stage is hereby completed and the Bill is hereby passed.”

Question put.

The Dáil divided by electronic means.

**Deputy Emmet Stagg:** Given the vicious nature of this measure, the people affected by it and the method used by the Government to rush it — indeed, to bulldoze it through the House — as a teller, under Standing Order 69 I propose that the vote be taken by other than electronic means.

**An Ceann Comhairle:** As Deputy Emmet Stagg is a Whip, under Standing Order 69 he is entitled to call a vote through the lobby.

Question again put: “That the amendments set down by the Minister for Social and Family Affairs for Committee Stage and not disposed of are hereby made to the Bill, in respect of each of the sections not disposed of, that the section or, as appropriate, the section as amended is hereby agreed to on Committee Stage, that Schedules 1 and 2 and the Title are hereby agreed to on Committee Stage, that the Bill, as amended, is accordingly reported to the House, that Report Stage is hereby completed and the Bill is hereby passed.”

The Dáil divided: Tá, 81; Níl, 75.

Tá

Ahern, Dermot.  
Ahern, Michael.  
Ahern, Noel.  
Andrews, Barry.  
Andrews, Chris.  
Ardagh, Seán.  
Aylward, Bobby.  
Brady, Áine.  
Brady, Cyprian.  
Brady, Johnny.  
Browne, John.  
Byrne, Thomas.  
Calleary, Dara.  
Carey, Pat.  
Collins, Niall.  
Conlon, Margaret.  
Connick, Seán.  
Coughlan, Mary.  
Cowen, Brian.  
Cregan, John.  
Cuffe, Ciarán.  
Cullen, Martin.  
Curran, John.  
Dempsey, Noel.  
Devins, Jimmy.  
Dooley, Timmy.  
Fahey, Frank.  
Finneran, Michael.  
Fitzpatrick, Michael.  
Fleming, Seán.  
Flynn, Beverley.  
Gogarty, Paul.  
Gormley, John.  
Grealish, Noel.  
Hanafin, Mary.  
Harney, Mary.  
Haughey, Seán.  
Healy-Rae, Jackie.  
Hoctor, Máire.  
Kelleher, Billy.

Kelly, Peter.  
Kennedy, Michael.  
Killeen, Tony.  
Kitt, Michael P.  
Kitt, Tom.  
Lenihan, Brian.  
Lenihan, Conor.  
Lowry, Michael.  
McEllistrim, Thomas.  
McGrath, Mattie.  
McGrath, Michael.  
McGuinness, John.  
Mansergh, Martin.  
Martin, Micheál.  
Moloney, John.  
Moynihan, Michael.  
Mulcahy, Michael.  
Nolan, M. J.  
Ó Cuív, Éamon.  
Ó Fearghail, Seán.  
O'Brien, Darragh.  
O'Connor, Charlie.  
O'Dea, Willie.  
O'Flynn, Noel.  
O'Hanlon, Rory.  
O'Keefe, Batt.  
O'Keefe, Edward.  
O'Rourke, Mary.  
O'Sullivan, Christy.  
Power, Peter.  
Power, Seán.  
Roche, Dick.  
Ryan, Eamon.  
Sargent, Trevor.  
Scanlon, Eamon.  
Smith, Brendan.  
Treacy, Noel.  
Wallace, Mary.  
White, Mary Alexandra.  
Woods, Michael.

Níl

Allen, Bernard.  
Bannon, James.  
Barrett, Seán.  
Behan, Joe.  
Breen, Pat.  
Broughan, Thomas P.  
Bruton, Richard.  
Burke, Ulick.  
Burton, Joan.  
Byrne, Catherine.  
Carey, Joe.  
Clune, Deirdre.  
Connaughton, Paul.  
Coonan, Noel J.  
Costello, Joe.  
Coveney, Simon.  
Crawford, Seymour.  
Creed, Michael.  
Creighton, Lucinda.  
D'Arcy, Michael.  
Deasy, John.

Deenihan, Jimmy.  
Doyle, Andrew.  
Durkan, Bernard J.  
English, Damien.  
Feighan, Frank.  
Ferris, Martin.  
Flanagan, Charles.  
Flanagan, Terence.  
Gilmore, Eamon.  
Hayes, Brian.  
Hayes, Tom.  
Higgins, Michael D.  
Hogan, Phil.  
Kehoe, Paul.  
Kenny, Enda.  
Lee, George.  
Lynch, Ciarán.  
Lynch, Kathleen.  
McEntee, Shane.  
McGinley, Dinny.  
McGrath, Finian.

Níl—*continued*

McHugh, Joe.	Quinn, Ruairí.
McManus, Liz.	Rabbitte, Pat.
Mitchell, Olivia.	Reilly, James.
Morgan, Arthur.	Ring, Michael.
Naughten, Denis.	Shatter, Alan.
Neville, Dan.	Sheahan, Tom.
Ó Caoláin, Caoimhghín.	Sheehan, P. J.
Ó Snodaigh, Aengus.	Sherlock, Seán.
O'Donnell, Kieran.	Shortall, Róisín.
O'Dowd, Fergus.	Stagg, Emmet.
O'Keeffe, Jim.	Stanton, David.
O'Mahony, John.	Timmins, Billy.
O'Shea, Brian.	Tuffy, Joanna.
O'Sullivan, Jan.	Upton, Mary.
O'Sullivan, Maureen.	Varadkar, Leo.
Penrose, Willie.	Wall, Jack.
Perry, John.	

Tellers: Tá, Deputies Pat Carey and John Cregan; Níl, Deputies Paul Kehoe and Emmet Stagg.

Question declared carried.

The Dáil adjourned at 7 p.m. until 2.30 p.m. on Tuesday, 15 December 2009.