

DÁIL ÉIREANN

*Dé Céadaoin, 8 Nollaig 2010.
Wednesday, 8 December 2010.*

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

Paidir.

Prayer.

Leaders' Questions

Deputy Enda Kenny: The budget yesterday was the product of an exhausted Government. It lacks conviction, confidence and compassion. The impact of the Fianna Fáil-Green-Independent-supported budget has and will consign thousands of low and middle income families in this country to near penury, a serious financial hit, a serious drop in living standards and hardship and pressure they could never have imagined. It is a budget of booby traps and landmines that will go off in these families' houses economically and financially over the next 12 months.

The Minister for Finance said that his budget was sensible, rational and equitable. Yesterday the Taoiseach's salary was 13 times that of a person on the minimum wage and today it is 14 times the level of a person on the minimum wage. Does he consider that is sensible, rational and equitable?

The Taoiseach: In regard to the preface remarks made by Deputy Kenny, this Government has set itself the task for the past number of months to produce a four year plan and to bring forward a budget, which I am glad to say had the support of the majority in this House. I welcome that this has been the case, that people in this House have been sufficiently capable of looking at where the national interest lies at this time.

Deputy Seymour Crawford: Their personal interest.

Deputy Pádraic McCormack: At a price.

The Taoiseach: On the points made by Deputy Kenny, since this crisis began, this Government and others have indicated the need to give demonstrable effect to show the reductions that have to be made. The net take home pay of the Taoiseach is now 45% less than it was when I took office and that of a Minister's it is up to 40% less. That needs to be said and it needs to be done. Everything we can do to reduce the size of the Government needs to be considered very carefully.

On decisions that have to be made that affect the lives of everyone, it is about making sure that we have a sustainable position going forward to avoid larger cuts that would otherwise have to be considered were there a failure to take action now. The decision of Government to

[The Taoiseach.]

put those interests of the country and of all the people first in making these decisions does not make them any less valid for that.

Deputy Pádraic McCormack: What about yourself?

Deputy James Bannon: The Taoiseach should answer the question.

Deputy Enda Kenny: That is not the question I asked the Taoiseach. I said that his budget yesterday was a product of an exhausted Government and that it lacked compassion, conviction and confidence. The Minister for Finance described it as being sensible, rational and equitable. I said that the Taoiseach's salary yesterday was 13 times that of a person on the minimum wage and today it is 14 times that level. Is that sensible, rational and equitable? The Taoiseach said that this is about having a situation where we will have a sustainable position going forward. Yet thousands of people today, widows, blind people, disabled people and carers are going around their houses, possibly with no heat on, looking in despair at what the Government has done when the Taoiseach did not need to do that. As was pointed out by Deputy Noonan yesterday evening, the Fine Gael alternative did not require income tax increases in 2011. It was costed by the Department of Finance and the savings that the Taoiseach could have had for the blind, the disabled, the carers and the widows — at a cost of €96 million — could have been made by a move to a single payment section, if he had any rationalisation plans for a sustainable position going forward. I will ask the Taoiseach whether he considers in his own case that this is rational, sensible and equitable? Does he consider on this morning that to have imposed these hardships on carers, widows, blind people and disabled people was sensible, rational and equitable, particularly when he did not have to do it? This was not the Brian Cowen of old.

The Taoiseach: I want to make a few points on that contribution. First, it seems now that the Leader of the Fine Gael Party is suggesting that the budgetary strategy of Fine Gael Party for this budget was that there would be no increase in income tax. The 2011 effect of our tax changes will yield €883 million, or €1.1 billion in a full year, in income tax revenue. Will Deputy Kenny during the course of his contribution on the budget debate kindly tell us how he would make the €6 billion adjustment by finding another €883 million cuts over and above what were announced by Government yesterday? Otherwise he is not in a position to have a budgetary strategy that is credible. One either increase taxes or one cuts expenditure.

Deputy Enda Kenny: This was costed by the Department of Finance.

An Ceann Comhairle: Deputy Kenny, please.

The Taoiseach: The costings that the Deputy has had done in the Department of Finance in respect of his initiatives are fine in themselves. The simple point I am making to him is that he is now saying that the Fine Gael Party would have made an adjustment of €6 billion in yesterday's budget without raising income tax. That requires——

Deputy Bernard J. Durkan: The Government has the three year plan.

The Taoiseach: That would require further cuts in the order of €1.1 billion for the full-year effect.

Deputy Enda Kenny: It was costed by the Department of Finance.

The Taoiseach: The Deputy might outline to us in a few moments in the budget debate how the party intends to do this. If that is the position——

Deputy Enda Kenny: The measures take in widows, carers, the disabled and the blind, as well as the minimum wage.

The Taoiseach: I am coming to that point now. If that is the position, the level of social welfare cuts to be contemplated, given that social welfare is 38% of total spend, would be far deeper than what the Government brought forward yesterday. The Deputy goes on to make the point——

Deputy Bernard J. Durkan: The Government had a three year plan two years ago. It is now a seven year plan.

An Ceann Comhairle: Deputy Durkan, please.

The Taoiseach: Not alone would the Deputy's party not raise income tax, to the cost of €1.1 billion, it now would not have made any changes in the payments mentioned. That would require a further €90 million, meaning the total would be approaching €1.2 billion.

Deputy Paul Kehoe: That was costed by the Department of Finance.

Deputy Terence Flanagan: The Taoiseach should answer the question.

The Taoiseach: Coming to the next point, if there were other areas in the social welfare budget——

Deputy Enda Kenny: I asked a question that has not been answered.

Deputy Bernard J. Durkan: Where is the soft landing promised by the Government?

The Taoiseach: ——that needed to be hit——

An Ceann Comhairle: The Deputy is——

The Taoiseach: The total amount reduced on working age payments——

An Ceann Comhairle: Deputy Durkan, please.

The Taoiseach: ——would be a further €3 per week. That would be €11 plus adjustments for qualified adult allowance. Those are the facts.

Deputy Enda Kenny: The Taoiseach should answer the question.

The Taoiseach: If the Deputy wants a sensible debate——

Deputy Paul Kehoe: The Taoiseach should answer the question.

The Taoiseach: I am answering the question.

Deputy Paul Kehoe: He is not.

The Taoiseach: The figures do not add up. Fine Gael cannot have Deputy Noonan speaking out of both sides of his mouth——

(Interruptions).

The Taoiseach: —and this man coming in facing five different directions the same morning.

Deputy Enda Kenny: The Taoiseach will not answer the question.

An Ceann Comhairle: We are finished on the first question and are moving on. I call Deputy Eamon Gilmore.

Deputy Enda Kenny: The blind have had their payments cut.

Deputy Paul Kehoe: Deputy Bannon was right. They are in the departures lounge.

Deputy Pádraic McCormack: He is a bit sore this morning.

Deputy Enda Kenny: The Ceann Comhairle is moving us on.

An Ceann Comhairle: The budget debate will begin shortly.

Deputy Bernard J. Durkan: Where is the soft landing? Where did it go?

Deputy Eamon Gilmore: In the budget for 2010, the Minister for Finance announced a fairly modest measure whereby tax exiles would pay a levy to the Irish State. This was subject to a number of fairly generous conditions, and the tax exiles would have an income in excess of €1 million per year and property worth more than €5 million. To date, not a single cent has been collected from that levy. In reply to Deputy Shortall, the Minister for Finance indicated a few days ago that the first amount to be collected will not be due until 31 October 2011.

Meanwhile, in yesterday's budget payments to carers have been cut for the second time by €8 per week. People on the blind pension have seen a cut for the second time, again by €8 per week. Widows have seen the same cut and people who have lost their jobs have been also cut for the second time. All these cuts, which are second cuts, will come into effect in approximately three weeks' time, at the beginning of the new year.

Will the Taoiseach explain why the measure on tax exiles, which was introduced last year, will take two years to come into effect whereas people on some of the lowest incomes in the country, including carers, widows, people who have lost their jobs and blind people, have been hit twice in the same period? The pain being inflicted on them comes into effect immediately.

The Taoiseach: I do not have the details of the issue raised by the Deputy but I will certainly follow it up. It is clearly a detailed Finance Bill matter. I want to make the social welfare position clear. We have had to make changes for the full-year effect. There was a time, before we came back into office, that an increase — when there were increases — was not effected until July the following year. We changed that to give a full-year effect.

Unfortunately, as the Deputy knows, with 38% of total spend in the social welfare area, it is not possible to make the correction which must be made in our public finances without reducing our welfare spend. Nevertheless, our welfare spend this year is €3 billion more than what it was in 2008, when the crisis began. In times when there were available funds to improve welfare, we trebled the total spend on social welfare. This was in the past decade at a time when cost of living increases were not 300%. We did this because of national anti-poverty strategy commitments and a range of areas where real social advances were made. In the golden era often referred to by the Labour Party, when it was part of a Government, the cost of living increases were approximately 5.5% per annum and the total welfare increases in the three budgets was just 10%. Members will recall the famous £1.50 increase from one of the Labour Party heroes, Proinsias de Rossa.

Deputy Bernard J. Durkan: He is a long time gone.

The Taoiseach: For 25 years he spoke about social justice and when he got a chance to raise the old-age pension, he put it up by 30 bob.

Deputy Seán Sherlock: He never decreased it.

The Taoiseach: We must be straight with people.

Deputy Bernard J. Durkan: The Taoiseach has selective memory.

The Taoiseach: It otherwise would not be possible to make a €15 billion adjustment over the next four years, to which the party is committed, in order to reduce the deficit to 3% of GDP by 2014.

Deputy Pádraic McCormack: The Taoiseach's party caused that problem.

The Taoiseach: It is not possible to make that adjustment——

Deputy Seán Sherlock: The Taoiseach's party excoriated Mr. de Rossa for that action.

An Ceann Comhairle: There should be one speaker at a time.

The Taoiseach: ——without including savings and adjustments in the social welfare budget. We must be straight with people.

Deputy Ruairí Quinn: The Taoiseach has never been straight.

The Taoiseach: We are saying we will bring it back to 2007 levels. When the Opposition was last in Government, child benefit was £30.

Deputy Bernard J. Durkan: When will they give up that line?

Deputy Seán Barrett: That was 13 years ago.

The Taoiseach: It is now €140.

Deputy Pádraic McCormack: We are back in 1997.

The Taoiseach: Despite the fact that Governments——

Deputy Seán Barrett: It was 13 years ago.

An Ceann Comhairle: Deputy Barrett, please.

The Taoiseach: ——will have to contemplate decisions of this nature, we can retain many of the social gains we have achieved, not only in capital programmes but in current programmes as well. We can retain much of it but we cannot sustain all of it in present circumstances. When circumstances improve——

Deputy Bernard J. Durkan: When the Government leaves.

The Taoiseach: ——and we get through this period, people in these positions will be the first to be dealt with.

Deputy Róisín Shortall: The Taoiseach is never straight with us.

The Taoiseach: It is the truth and those are the facts. To contend otherwise would mean not being straight with the people.

Deputy Dermot Ahern: Hear, hear.

Deputy Róisín Shortall: He has never been straight with the people.

Deputy Kathleen Lynch: It would be a first.

Deputy Eamon Gilmore: It was a very interesting reply as it is quite clear the Government and the Taoiseach has not given a second thought to the issue of tax exiles since this time last year, when that budget was introduced. This is a Government presiding over a two-tier society, treating one group of people earning more than €1 million per year and who pay no tax to this State with one set of laws and asking carers, the unemployed, the blind, widows and people in poor circumstances, to contribute and pull together. It stipulates that such people should contribute the same as everybody else.

The reality is the people with high wealth and earnings pay no tax to the State. The Taoiseach introduced a measure last year, and even if such people must contribute, it will be two years before it kicks in. There is no mention of it in this year's budget and the Taoiseach cannot tell me why these people are getting two years to make their contribution. In the same two years, people on the lowest levels of income are having their income cut twice with immediate effect.

In the middle of last night, Deputies Healy-Rae, Lowry, Mattie McGrath and Behan, who made all kinds of noises before the budget came in, voted on obscure financial resolutions in voting for the budget. In the next 24 hours they must come here to cut the money paid to blind people, widows, people with disabilities and others in poor circumstances for the second time over this budgetary period.

An Ceann Comhairle: The Deputy should finish up.

Deputy Eamon Gilmore: At the same time, tax exiles who do not pay income tax to the State have not yet paid a single cent of the amount that was announced last year. The Taoiseach is presiding over two laws, one for tax exiles and another for people dependent on social welfare payments.

The Taoiseach: I do not accept what the Deputy says. All non-residents who have businesses in the State pay taxes in respect of those businesses, whether they are resident or non-resident.

Deputy Eamon Gilmore: What about income tax?

The Taoiseach: The position was the same when a former leader of the Labour Party was Minister for Finance. We have tightened the rules since then. The changes to which the Deputy refers came into play when the Labour Party was last in government. Let us talk about facts. Whether a person is resident or non-resident, he or she must pay tax in respect of any businesses he or she has in the State.

The Deputy asked about the welfare system without notice. If he had put me on notice, I would have a full answer for him but I will get a full answer. It is not honest to say to people that one is committed to making sure we get our public finances in order by 2014 but there will be no cuts in social welfare. We have a prospective Government opposite. One crowd says

there will be no increases in income tax while the other crowd says there will be no cuts in social welfare but it will implement the necessary adjustments and policies. That is not a credible or honest position.

Deputy Enda Kenny: The Government did not tell the truth. It is incapable of being truthful.

The Taoiseach: It would create a problem because Deputy Kenny wants to cut €6 billion but does not know how he will do it, while Deputy Gilmore wants to cut €4.5 billion and double income from additional taxes next year to €2.5 billion.

Deputy Enda Kenny: We are not negotiating with the IMF.

The Taoiseach: Deputy Kenny says he will not increase tax next year. What sort of a Government would we have if we were sitting down for a budget debate? Is he talking about this Government? We would have a Government without cohesion, coherence or policies.

Deputy Enda Kenny: The Taoiseach should be straight with people.

The Taoiseach: Behind all the populist talk and all the nice headlines I am sure the Opposition will get by making superficially attractive contrasts, the fact is that Deputies Kenny and Gilmore do not have a policy position that adds up. By next July the country would not be able to access funds to pay 1 cent in social welfare payments after that date if we had the likes of the Deputies in power. That is the reality.

Deputy Emmet Stagg: The Taoiseach and the crowd behind him created the mess we are in.

The Taoiseach: The more people talk about the real issues, the more they will see who is prepared to take decisions to ensure the country has sufficient funds to look after the most vulnerable. Perhaps people will listen to them rather than the incoherent nonsense I have been hearing this morning.

(Interruptions).

An Ceann Comhairle: We must move on to the Financial Resolutions 2011.

Deputy Róisín Shortall: On a point of order, we have not yet had sight of the Social Welfare Bill which is scheduled to be taken at 6.30 p.m. When are we likely to receive the legislation?

The Taoiseach: I understand copies have been placed in Members' pigeon holes.

Financial Resolutions 2011

An Ceann Comhairle: The arrangements for the debate on the Financial Resolutions are as follows: the speech of the Taoiseach and of the leaders of the Fine Gael Party, the Labour Party, the Green Party and Sinn Féin, or a person nominated in his or her stead who shall be called upon in that order, shall not exceed 40 minutes in each case, and the sitting shall be suspended for 60 minutes following the leaders' speeches.

Deputy Finian McGrath: On a point of order, while I do not wish to disrupt proceedings, will time be made available for Independent Deputies to contribute?

An Ceann Comhairle: Has the Deputy spoken to the Whips?

Deputy Finian McGrath: I speak to them every day but I am not making much progress.

Financial Resolution No. 34: General (Resumed)

Debate resumed on the following motion:

THAT it is expedient to amend the law relating to inland revenue (including excise) and to make further provision in connection with finance.

—(The Taoiseach).

The Taoiseach: This budget is being introduced at a time of great uncertainty across the economies of the developed world. We are living through an economic crisis with few parallels which is impacting in new and unpredictable ways on people, businesses and entire countries. Ireland has been affected more than most, partly because our economy is so dependent on international trade and investment and partly because of the scale of the fall-out from an overheated construction sector. It is the responsibility of those holding elected office to focus their energy on the future and to take action to solve the problems facing the people who elect us. That is the focus of the national recovery four year plan.

This budget makes the practical but difficult decisions that must be implemented to ensure Ireland recovers as quickly as possible. These decisions are not taken lightly. The Government is fully aware of the impact they will have on families across the country and has carefully considered all options and possibilities. We have taken these decisions in a way that balances the need to protect the most vulnerable, the need to meet our international obligations and the need to promote economic growth and employment.

The budget bears evenly on people and strives to share the burden fairly. Having stabilised the deficit this year, we have to take an important further step towards narrowing the large gap between what we, as a State, spend and what we take in. If we had taken no action, this gap would have grown again in 2011 from €18.7 billion to €22 billion. Our aim next year is to reduce the general government balance from 11.6% to 9.4% of GDP. As with paying a mortgage, the later steps will become progressively easier. With the budgets of the past two years, we were halfway along the path, with a €14.6 billion reduction since 2008. With this budget we are now two thirds of the way through the necessary adjustments.

Looking back, I doubt that any Government has acted so decisively and with such energy in a short period or done so much political heavy lifting.

Deputy Alan Shatter: No Government in the history of the State has perpetrated so much destruction.

The Taoiseach: It must be clearly understood that if we are to be in a position to borrow to maintain our public services, State pensions, unemployment benefits, schools and hospitals and pay those who work in them, we must adhere strictly to the agreed parameters of the national recovery plan we have drawn up and agreed with the European Union, ECB and IMF. The plan is the sole basis for drawing down the financial facility these bodies have made available to us. The front-loaded €6 billion cut in the deficit is the first and most crucial instalment.

There is no alternative option of €4.5 billion. If the Labour Party in government were to attempt to draw back from any aspect of the EU-IMF programme for financial support for Ireland without putting forward a full equivalent alternative, eurozone Finance Ministers would point out to it, in no uncertain terms, that it is bound by the scale of the commitments which underpin the agreement to provide support. If not, assistance would be suspended. Deputy Gilmore would do well to recognise his potential responsibilities and stop pretending to people in either a naive or deceitful way that his party has some other way.

Despite the adjustments made to date, the economy is emerging from recession. There have been significant improvements in our competitiveness, as Ireland prices itself back into international markets. Our exports are performing strongly and have increased by 7% in the first half of the year. We are moving into a balance of payments surplus in 2011. Tax returns for 2010 are expected to be €450 million ahead of projections, while economic growth will also exceed forecasts. Unemployment has stabilised and the live register has fallen in each of the past three months.

When considering the challenges that lie ahead we need to remember how far we have come and the resilience shown by Irish people over the past two years. It is this resilience which gives confidence that we will emerge from this crisis quicker and more strongly than many commentators expect.

The national recovery plan published by the Government on 24 November is the basis for sustaining recovery. The plan outlines a pathway to restore the public finances by returning tax and expenditure levels to close to those of other European countries. Some €10 billion or two thirds of the budgetary adjustment will be achieved through reduced expenditure, with €3.9 billion of this figure being achieved in this budget. This means that by 2014 gross current expenditure will be back to 2007 levels.

Total Government voted expenditure as a percentage of GNP will be reduced from 49% to 36% by 2014. The remaining one third of the adjustment — €5 billion — will be achieved through taxation. The focus will be more on broadening the tax base than increasing tax rates, which is a more effective way of achieving revenue targets.

Tax receipts in 2010, nevertheless, will be 35% lower than in 2007, reflecting the over-dependence on property and construction-related revenue sources at that time.

A fundamental principle of the reform outlined in this plan is that all taxpayers must contribute according to their means. Those who can pay most will pay most, but no group can be entirely sheltered. The changes in the plan will bring the income tax structure back nearer to what existed in 2006. This budget is the first phase in this fundamental restructuring of the public finances, bringing them back to a sustainable position, while maximising the economy's potential to grow and again create jobs.

We cannot afford delay. As of now, the parties opposite are not agreed on how much needs to be done or how it is to be done, as our previous exchanges amply illustrated. We do not have the luxury of time to allow all that to be worked out. Completion of the first steps towards the agreed target deficit of 3% of GDP by 2014 or, at the latest, 2015, will create the necessary breathing space, so that an election can be held and a new Government formed. We will not shirk our responsibility for the welfare of our people in the meantime. All sides of the House and people outside it need to be aware that restoring our country's credibility, including re-building the confidence which is essential to recovery, depends on our being able to follow through swiftly on the commitments we have made.

The main task of the Government I have led has, from the outset, been to secure the best interests of the nation in the most challenging times. We have made hard choices and taken unpopular decisions in the interests of the security and well-being of our people. As a Government, we did our best to resolve both the banking and the deficit situations on our own. The interdependence of the modern world as well as our membership of the eurozone and large market movements have, in the end, put some of the solutions beyond our control.

Both the EU and the eurozone are themselves facing fundamental challenges in devising a fair and equitable response to a financial crisis situation, present and future, that may, in a

[The Taoiseach.]

chain reaction, adversely affect several member countries. That our domestic measures did not prove sufficient does not mean they were not necessary. It was essential for us to make the maximum effort, which will now be supported by the European Union, the European Central Bank and the IMF. We are in a different territory from when such interventions were made in the past, for example, when Britain in 1969 and 1976 made application to the IMF at a time when we shared a common currency with it. For a small country, in particular, economic sovereignty has in practice always been somewhat circumscribed.

If we are to recover greater freedom of action in the future, as we all wish, it will not be done by a foolish and petulant unilateral repudiation of our obligations, for which there is no successful precedent anywhere, nor by a refusal to accept any share of responsibility for our collective actions in the boom years. Our situation will only be improved by following the route set out in the national recovery plan, of which the budget is the critical first instalment. Principally, what we must do to put our economy and our finances back on an even keel is to correct the overshoot wherever that occurred. A limited sacrifice in recent improvements in living standards will put us back on a path we can sustain. It is not about reverting to where we were ten or 20 years ago, rather, in most cases, to where we were only a few years ago.

I accept the argument that we have to start at the top. The Taoiseach's salary is being reduced by a third compared to what it was in 2008, with net pay down 45%. The future salary for the President will be set at the new public sector ceiling of €250,000, which, when existing top level contracts in the semi-State bodies expire, will apply across the public sector, including to judges. I wish to acknowledge the President's announcement that she will, on a voluntary basis, apply this new rate as she has accepted previous reductions. Ministers will have seen their net take-home pay reduced by 36%, while Deputies' net salaries will have been reduced by a third.

Pension lump sums will be taxed above €200,000, and the public service pension will be reduced by an average of 4%. New entrants will enter at a 10% lower starting income. With the important exception of education, public sector numbers will fall back to lower levels by 2014, though much of the improvement in services will be broadly maintained. A more competitive economy has to reduce its overheads.

The cumulative impact of budgets since budget 2009 has been highly progressive, taking welfare and tax changes together. Changes in the pension regime are mainly focused on the highest earners. Twenty-four reliefs and exemptions are being terminated or restricted, including property reliefs. The cap on employees' PRSI is being removed, as has long been advocated. In making the adjustments in this budget, we have protected the vulnerable as much as possible while continuing to incentivise work, jobs, and growth, on which their incomes depend.

Everybody pays something, but the better-off pay most. At present, the top 8% of earners pay 60% of tax. After this budget, the top income earners will continue to pay, proportionately, the most. Much criticized tax breaks which mainly benefit high earners will be largely eliminated. While it has been necessary to cut working age welfare payments, the 2011 rates will still be more than double the 1997 levels, compared to a consumer price index or price increase of 45%. Child benefit rates will be three times higher than in 1997.

To put all this in context, tax measures over the four years of the national recovery plan will bring us back to 2006 levels. After this budget, 38% of people will still be outside the tax net. The increase in numbers of people coming into the tax net at present is 45% and will be 38%. The new minimum wage level, designed to increase the availability of jobs, will not be in the tax net. The sum of €306 for a 40 hour week compares favourably with a single person's job-

seeker's benefit of €188. Despite the reduction, the minimum wage will still be considerably above the level in the UK and Northern Ireland.

In the debate, I cannot overlook the fact that the Labour Party is seriously at odds with Fine Gael as to the proportion of the adjustment that would be met from additional taxation. The Labour Party's tax policy is closer to Sinn Féin's than it is to Fine Gael's. Fine Gael's commitment is to confine tax measures to one-third of total cuts from 2011-2014. The Labour Party proposes that half of the adjustments will come from more taxes. It is worth pondering what the outcome of the Labour Party's proposal of increased taxes might mean for average working families. If the party had its way on raising €2.5 billion in taxes as it proposed last week, and given that it voted against our proposals, this could, for example, involve a 2% increase on the standard rate of income tax, a 5% increase on the higher rate, or 1% on the lower rate and 3% on the higher rate in addition to a further 2% increase on the standard VAT rate to 25% with implications for competition across the Border, as well as a site value tax of €400, not the €200 average. In spite of claims that the target would be the well-off, experience shows that the average PA YE taxpayer has always fared worse when the Labour Party was in Government.

Deputies: Hear, hear.

The Taoiseach: A priority for this Government is to protect the most vulnerable in our society, while ensuring that those of us who can afford to carry the heaviest burden do so. An additional €10 million has been provided for the disability sector. We have also prioritised the free pre-school education programme. We have not reduced the contributory old age pension in order that those in our elderly community who are unable to work to improve their incomes are protected. We have also increased funding by €8 million to allow for more home help packages in 2011. We have provided increased funding of €115 million for an additional 120,000 medical cards next year, and additional funding for the following key priority services: older people — € 14 million; the fair deal — another €6 million; cancer — €8 million; child protection, as per the Ryan report recommendations — €9 million and suicide prevention — €1 million.

The reductions in many social welfare payments are a regrettable but necessary, part of this adjustment. Budget 2011 has to be seen in the context of the recently published National Recovery Plan 2011-2014. As the Department of Social Protection is the biggest spending Department, accounting for approximately 38% of total gross Government expenditure, it is not possible to stabilise and reduce our public spending without there being an impact on that Department's budget. Failure to take action now in regard to the level of expenditure by the Department would mean that supports to pensioners, carers, people with disabilities and jobseekers, among others, would become increasingly unsustainable.

There was a common consensus to protect State pensions and we did that. However, that narrows the range of where we can make savings. Jobseekers have already borne a burden in terms of cuts, but the more areas are exempted the more are jobseekers put in the firing line for greater cuts. The unvarnished facts are that to avoid cuts in widows' and widowers' pensions, blind pensions and long-term invalidity, disability and carers' payments, it would have been necessary to implement a far higher cut on the jobseekers' payments.

Deputy Terence Flanagan: So what?

The Taoiseach: "So what?" somebody says. One would be talking about a cut of approximately €11 per week on jobseekers' payments instead of the proposed €8 per week, which would involve a €19 cut for a couple. Where else in the social welfare budget, over and above what we have done, would the Opposition make these cuts?

[The Taoiseach.]

The Government, in a hugely challenging budgetary environment, has done its utmost to protect the most vulnerable in our society in these circumstances. The adjustments we have made cannot be viewed in isolation and must also be seen in the context of the fact that over the past decade the Government has trebled the social welfare budget, whereas, over the same period, prices of goods and services have increased by less than a third. The total increase in social welfare expenditure has gone from €6.7 billion in 2000 to a total expenditure of €20.9 billion in 2010. In that time, the Government has significantly extended coverage, removed barriers and increased entitlements, such that the level and extent of social support payments has been transformed beyond recognition.

We have maintained the half-rate carer's payment for those who have another social welfare payment and find themselves in a caring position. We have maintained all of the innovations that were introduced by the late Mr. Seamus Brennan when he was Minister for Social and Family Affairs. We changed the system fundamentally so that a person is only entitled to one payment from the system. We made carer's allowance the highest rate of social welfare payment in the social welfare code because we recognised——

Deputy Simon Coveney: Rightly so.

The Taoiseach: Rightly so. We did it, and I am proud of the things we did during those years.

Deputy Terence Flanagan: Why is the Government cutting it?

The Taoiseach: I am proud of the fact that in regard to education in the disability sector we spent €1 billion of an €8 billion budget in mainstreaming people with disability into our education system. While some say I should be ashamed, I am proud of all of those progressive social policies. The situation, and what we need to say to the public, is this — despite the economic tsunami that hit this country a couple of years ago and from which we are still trying to recover, all those social gains did not go out with the sea. Many, if not all, can be retained and many can be regained and improved upon when things pick up again in the years ahead.

While that is a commitment we can all make, we have to be straight about it. In their analysis of yesterday's budget, on the one hand, Fine Gael says there is no need for any income tax increases and, on the other, the Labour Party says there is no need for any welfare cuts.

Deputy Enda Kenny: It is a big change for the Taoiseach to be straight.

The Taoiseach: That is simply an incredible position to take 12 hours after one of the most important budgets in the history of the State being brought into this House and, thankfully, passed as a result of the democratic process here last night.

The levels of income support provided by the State to those on welfare are still among the highest in Europe, of which we are all proud. People who live in Border counties know what the social welfare payments are across the Border. Many in the North used in the past to look towards the Republic and suggest patronisingly that we were not capable of looking after our own people. The social policies we introduced in recent years were the right thing to do. When else were we going to be able to do this? If we take the decisions now, we can maintain much, perhaps as much as 90%, of those gains. However, if we play the game the Opposition want to play — the game of “No, there is some other soft option available. No, we have a solution here that does not involve you or the next person being affected” — then the rate of cuts will become far greater and more unsustainable far more quickly, apart from the fact we need to ensure the programme we have agreed is implemented as quickly as possible.

We need to provide an input of confidence and to let people see that the Government, the country and the Dáil, however hot and heavy our debates get, are prepared to take the decisions that are necessary for this country to come through. That is what people going to work or staying at home today want to hear from us.

Deputy Enda Kenny: We need the right decisions.

The Taoiseach: Let us have our differences but let us not get into a stupid debate or descend into the foolishness of suggesting there is an alternative Government available to this country in the months ahead that will neither increase tax nor cut welfare during the course of the coming year. It is patent nonsense and it needs to be seen for what it is.

As Taoiseach, I am deeply conscious that the adjustments in social welfare expenditure in this budget will affect the living standards of many of our citizens in the short term. However, if we put off these changes, there will be a greater burden in the future on all those who can least bear it. What is most important now is that we can sustain a strong welfare system into the future. These adjustments mean we have cut back slightly but they protect people from the risk of more severe cuts in the future.

We are keeping those who have lost their jobs as close to the labour market as possible. We are providing 15,000 extra activation places at a cost of €200 million on a skills and internship programme, a work placement programme and a community work placement scheme which supplement the existing level of activity. Since this crisis began, we have doubled the number of training places from 66,000 to over 130,000. To this can be added the thousands of people on the back to education scheme as well as the private sector labour activation scheme introduced by the Tánaiste when she held that Department, which is a good scheme and one which can be expanded and be part of how we deal with this situation for people who want to stay active and up-skill. Under the Department of Social Protection, there are 55,000 more places for people on community employment schemes, the community support programme and the rural social scheme.

Taking all of that, there are 205,000 places, together with the 15,000 announced here. When one considers that 290,000 people in this country are signing on for unemployment full-time, five days a week, it gives an indication of the level of response we are trying to achieve in very straitened and difficult circumstances.

Deputy David Stanton: That is marvellous.

The Taoiseach: If the Deputy wants to be patronising about it, that is his problem. The facts are that these decisions were taken by Government at a time of great economic difficulty.

Deputy David Stanton: Tens of thousands of young people have emigrated. What about them?

The Taoiseach: Everybody recognises we have to provide as much support as we can. I looked at some of the proposals from other parties in regard to this matter in their pre-budget submissions, and they are broadly in the same territory both in terms of scale and objective.

We are extending the employer job incentive scheme to the end of 2011 and transforming the business expansion scheme to incentivise firms to employ staff. We are undertaking a number of key strategic initiatives to create new jobs and get people back to work. The business expansion scheme and the new employment incentive announced by the Minister yesterday require state aid approval, which should be forthcoming in the normal time period in the coming months. The issue is we are making sure that, as we close down the tax shelters in

[The Taoiseach.]

other areas, we provide an opportunity for people to invest in those entrepreneurs, businesses and enterprises that require assistance and funding at this time. We are increasing the amount one can invest in overall terms to €10 million, and €2.5 million annually, where the current limit is €1.5 million, and dealing with a complaint from business regarding some of these issues. People are out there creating jobs in terms of the certification process being more streamlined and user friendly. We want to broaden the areas of activity the business expansion scheme at present includes and the areas where investment can be made. That is a good initiative and it is the right thing to do. Those with investment income are being channelled into those areas of best employment effect in the public policy area.

At almost €35 billion, we are maintaining proportionately one of the largest capital investment programmes in Europe. We will spend €4.7 billion next year on the capital programme. When we consider the difficulties we have faced, to listen to some of the commentary and analysis from Members, which for some reason they think is a good idea, they suggest that due to the economic tsunami we have lost it all. Have we been knocking down the new hospitals? Are the new schools being closed? Have the extensions to all the basic infrastructure developments in our towns and villages throughout the country been closed up? The answer is “No”. They have added to our competitiveness, and the people driving around the country today know this. To spend billions of euro in these areas was the right thing to do.

In current circumstances, as we know, there is greater value for money to be had given the more competitive position, with tender prices down by approximately 30%. We are continuing to work in that area. With regard to the €4.7 billion, whether it is the €400 million for our health programme, the €383 million going into capital spending in our schools, the €500 million being invested in our water services programme or the €500 million being invested in our housing programme, including for regeneration in Ballymun and Limerick, which is much needed, as we saw again on recent programmes on RTE, these are important initiatives. The Government is seeking to address issues constructively and is prepared to invest in the country at a time of difficulty. That is what we are doing.

With regard to semi-State bodies, the amount of investment that will be undertaken by the utilities, telecommunications and broadband companies, including those in the private sector, will be of the order of €2 billion next year.

Deputy Frank Feighan: That is what the Government is supposed to do.

The Taoiseach: Total expenditure on capital programmes through commercial semi-State investment and the public investment programme will be €6.5 billion next year.

Deputy Enda Kenny: Mr. Parlon points out——

The Taoiseach: That should not be regarded as something just to be sniffed at. It is important work building on all the investments we have made in the past. Unprecedented capital investment has changed the face of and transformed this country, much for the better.

Deputy David Stanton: What about the ghost estates?

The Taoiseach: If the capacity was such, it happened in the private sector.

Deputy David Stanton: We are paying for it.

The Taoiseach: Taxpayers' money was invested in schools in the Deputy's constituency and he has been trying to take credit for this for the past ten years. Taxpayers' money ensured

serious investments were made. Why can the Deputy not simply acknowledge that and move on to the debate about the future?

Deputy David Stanton: Move on.

The Taoiseach: The Deputy's problem is that he is not able to move on because he does not have a policy framework that stands up.

Deputy David Stanton: Move over.

The Taoiseach: I do not know whether the finance spokesperson heard his leader this morning.

Deputy David Stanton: Move along.

The Taoiseach: He suggested that Deputy Noonan would not have to raise any money in income tax to make a cut of €6 billion.

Deputy Seán Barrett: The country is booming.

Deputy David Stanton: Time to go.

The Taoiseach: Is that true? Could that be true? I refer to the man who was supposed to have brought some gravitas to the finance spokespersonship in recent months and who was ensuring the leader could step back a bit——

Deputy Simon Coveney: Says the man who cannot move on.

The Taoiseach: ——that we might hear a bit of common sense.

Deputy David Stanton: Time to go.

The Taoiseach: In the past 25 minutes, there has been a need to get an editor for him.

Deputy Enda Kenny: If the Taoiseach wants to be straight with them, he should be straight with them.

The Taoiseach: He has really gone overboard this time.

(Interruptions).

The Taoiseach: Our five-year integrated plan for trade, tourism and investment will create 300,000 jobs and boost exports by one third. This is based on the figures of the IDA and Enterprise Ireland and on the spillover effect that can happen. We must be conveying to the public and investor community that we seek investment income for productive areas of the economy, not only at home but also abroad. If we are to continue to talk about economic corpses and state the country is banjaxed, that we should forget about it and that it will all change when the Opposition gets into power, we will not be productive.

If Deputy Gilmore is the good guy, we must be in bigger trouble than I believed we were in. Certainly, working people will know how the Labour Party dealt with PAYE taxpayers when it was in Government. This is because that party will not take the decisions to cut back on the services when those decisions are necessary. It piled the tax on working people. When Deputy Gilmore asks me to wait until the Labour Party is back in power, he should note that

[The Taoiseach.]

when he was in Government, he taxed people who earned above €7,000. He started taxing people earning €120 per week.

Deputy Seán Barrett: We left the country in credit.

The Taoiseach: We made changes yesterday.

Deputy Seán Barrett: It took the Government 13 years to bust the country.

The Taoiseach: One will have to earn €16,300 before one starts contributing to the tax system. This is because we wanted to ensure people on low incomes are helped, avoid poverty traps and maintain the incentive to work. Even after yesterday's budget, in respect of which every superlative one could think of has been used in an effort to say how terrible it is——

Deputy Paul Kehoe: What is the Taoiseach's legacy?

The Taoiseach: Yet, 38% of people going to work today will not be in the tax net after this budget.

Deputy Paul Kehoe: What is the Taoiseach's legacy?

The Taoiseach: That is our commitment to these people. I will discuss that with the Deputy any time.

Deputy Paul Kehoe: What is the Taoiseach's legacy?

(Interruptions).

The Taoiseach: The Deputy does not have to engage in defence. The wry smile of the finance spokesperson said it all for me.

Deputy Paul Kehoe: What is the Taoiseach's legacy?

The Taoiseach: We have set up an innovation fund of €500 million——

Deputy Paul Kehoe: The Deputy is laughing at the Taoiseach.

The Taoiseach: ——that will support enterprise development and job creation by drawing top venture capitalists to Ireland. It is interesting that the first tranche has attracted 23 expressions of interest. That is the way we can get capital into high-technology companies that are presently short of resources and which find it hard to bank their projects because of the nature of the activity in which they are engaged. The research element must be borne in mind.

A €32 million labour market activation fund is targeted at specific priority groups among the unemployed, and is supporting almost 60 projects and 11,000 participants this year. This is an important point to make. The fund represents a good initiative that marries public policy objectives to private sector initiatives.

Under the four year plan, we will use moneys from the national pensions reserve fund for projects such as the water metering programme and retrofitting. Our low corporation tax rate of 12.5% is the cornerstone of our economic policy. Foreign direct investment supports 240,000 jobs in this country.

Both AIB and the Bank of Ireland are to make €12 billion available to SMEs over the next two years. We have remained true to our ambition to make Ireland a global innovation hub, a

country that can support high-value jobs based on innovation and knowledge. It is something to be said for our country that, at a time of such difficulty, it was first in the foreign direct investment stakes per head of population last year. Last year was one of the most difficult years we have ever had. We were so successful because, despite the difficulty and contraction of the economy, we continued to create an environment here that promotes enterprise and jobs and, importantly, looks to our own resources.

The tourism sector, for example, will benefit from a programme worth over €200 million. If one considers the change to the travel tax, which will cost the taxpayer approximately €65 million——

Deputy Simon Coveney: Why have a travel tax?

The Taoiseach: That is one aspect. With regard to promoting the tourism product in Ireland, the sum in question amounts to over €100 million. There is expenditure of over €40 million on tourism marketing. In this area, a serious, focused effort is being made to increase tourist numbers.

Deputy Enda Kenny: The number of tourists has decreased by 2 million.

The Taoiseach: With regard to agriculture, in respect of which I will be glad to hear from Deputy Stanton, we have a strategy in place——

Deputy Enda Kenny: The IMF is a tourist also.

The Taoiseach: ——and confidence has returned to the sector. I recall meeting worried representatives of the agri-food business at the height of this crisis, at which time it was suggested that up to 40% of its base would disappear because of factors exacerbated by the exchange rate problem. This is because many of our goods and services in this area go into the sterling area, as the Deputies know. All of them have come through and all have growth strategies. I am thankful that primary producers such as farmers have had a much better year this year than in the preceding two. There is now leadership. I acknowledge the leadership in the farming community and agri-food sector. People in the sector are getting on with their work and saying we must move on and increase our output and job content. These are our own natural resources.

Deputy Seán Barrett: Why did the Taoiseach call in the IMF?

The Taoiseach: There will be considerable investment next year in the forestry sector. Shouting at me will not change this. Deputy Barrett should give me a shout when he is to make his contribution and I will come down and listen respectfully to what he has to say. He cannot make his contribution at the same time as I am making mine.

Deputy Seán Barrett: Why did the Taoiseach call in the IMF?

The Taoiseach: That is just not the way it works.

Deputy Paul Kehoe: That is the Taoiseach's legacy.

The Taoiseach: The Government is investing over €570 million in science, technology and innovation next year. We are continuing with that. When one considers the budgets for the IDA and Enterprise Ireland, one will note the total budget for enterprise support next year is €508 million. It will rise by €50 million in 2012 and 2013 because that is the commitment we are making in terms of focusing on the promotion of growth and job creation.

[The Taoiseach.]

When people talk about the need to put jobs and growth at the centre of our economic agenda, we agree with them, but one cannot just ask where the stimulus is. The stimulus is that our competitiveness is improving and that we are investing €6.5 billion next year through commercial semi-State companies and our public investment programme. By any rule of thumb, that amounts to the maintenance of over 65,000 jobs.

If one considers the activation area, what is occurring under the business expansion scheme, the supports from Enterprise Ireland and the IDA, the areas of science, technology and innovation and the work of Science Foundation Ireland——

Deputy James Reilly: And then look at what is happening to the country.

The Taoiseach: ——one will realise we have a real economy that is forging ahead if we give it the chance. Exports have increased by 6% and merchandising exports have increased by 12% in the past three months. We will have a balance of payments surplus next year. While we must do our job in this House, namely, fixing the public finances, we must also ensure that enterprising, entrepreneurial businessmen and businesswomen, both at home and abroad, are supported in every way, including economically, diplomatically and by way of marketing. All the State agencies must be motivated to support Ireland in selling its goods and services globally such that there will be demand for them when we set the right price. This is what we have been able to do as a result of the policies we have been implementing. That changeover has happened.

Science Foundation Ireland will be maintaining 29 top-class research centres in 2011 and it continues to work with over 400 industry partners. This is important if we are to sustain growth. It is in this area that we must invest now if we are to secure the new jobs and services of the future.

Enterprise Ireland will help approximately 1,200 companies with research and innovation activities in 2011. It will also support 85 high-potential start-up companies next year, rising to 100 by 2015. I refer to scale-up companies in addition to start-up companies, as mentioned by Deputy Gilmore a few days ago. The number of industry-led competency centres will be doubled to 16 by 2015. Innovation Fund Ireland will grow to €500 million, attracting leading international venture capital companies to Ireland; and the IDA will continue to attract new investments, nearly half of which were research and development related this year.

Ireland is developing a strong international reputation for innovation and high tech start-ups. The smart economy can be an important part of our economic recovery, and the budget positions us to take advantage.

We are introducing incentives to bring confidence to the housing market, including a reduced flat rate 1% stamp duty rate on residential property transactions up to €1 million; an improved tenant purchase scheme available now to 45,000 more tenants in this country who can obtain the ownership of their home based on a much improved and far more attractive scheme brought forward by the Minister for housing, Deputy Michael Finneran; measures to help registered tax compliant contractors; and tax incentives for retrofitting home energy efficiency measures are a way of ensuring that we reduce the black economy and make sure those who are compliant and are running their businesses properly, ethically and in a business like fashion are supported. By reducing the relevant contracts tax from 35% to 20% we greatly improve the cash flow of those businesses that are compliant and ensure we are able to deal with those who are trying to play it both ways using the system.

(Interruptions).

The Taoiseach: We are supporting tourism by reducing the air travel tax to €3, and the DAA will be incentivising carriers to bring in additional airline passengers.

I have made the point about the capital investment programme. It is critical. While difficult decisions have been made in this budget, and further challenging measures will be put in place over the lifetime of the four year plan, we have retained the vast majority of the benefits of the boom.

The tax measures over the four years of the national recovery plan will bring us to 2006 levels. Spending levels will be brought to 2007-08 levels. However, spending on the productive capacity of the economy will continue apace.

During the good times, we used the fruits of the boom not only to reduce our national debt to very low levels but we also invested wisely in the productive capacity of the economy — in schools, roads, public transport, communications, research and innovation, and housing. We retain this infrastructure, and that is helping to grow the economy once again. Anyone visiting this country now would see how much better served we are by that infrastructure compared to the 1980s.

We had one of the highest rates of public investment in Europe over the past ten years and we still have that now.

We retain a high level of capital investment by international and historical standards — nearly €16.5 billion in the period up to 2014. That will be invested in projects which support economic growth and employment.

Next year alone we will invest €4.7 billion. This will allow several new road projects to start, support major regeneration projects in Ballymun and Limerick, sustain the school building programme, and progress high priority health projects, particularly in the mental health area.

Deputy Dan Neville: You are making up for it.

The Taoiseach: There is a major allocation for the new national energy retrofit programme. This will combine existing domestic energy efficiency initiatives, supporting jobs for former construction workers and making sure that the tax credit is available as well as the direct grant-in-aid through the various schemes. The tax credit scheme will be of wider application and bring in more types of remedial and improvement works, which I believe is necessary as people look now to improve their own housing situation rather than buying up. This programme will be complemented by a new tax credit for domestic energy efficiency improvements.

Most important, we have prioritised spending on enterprise supports. At a time of major crisis, it is appropriate to draw on all our resources.

We will continue to bring forward public private partnerships in transport, education and health. We will help to identify public investment opportunities for the National Pensions Reserve Fund and other private investors, and we will support major investments by our commercial semi-State companies — more than €2 billion in the energy sector alone in 2011.

The Government remains convinced that North-South co-operation is a central element in the push for economic recovery. Budget 2011 has maintained overall funding levels for North-South co-operation, with a total allocation of over €110 million.

The increased allocation of €14 million for cross-Border transport initiatives will help promote jobs and economic recovery in Border communities and the wider economy. This includes the necessary funding to meet the Irish Government's commitment to the joint projects to upgrade the cross-Border road network, and we stand by those decisions.

[The Taoiseach.]

The budget also includes funding of almost €80 million for the North-South bodies. Of course, like all other public sector bodies they will see reduced budgets, but this substantial funding will enable those bodies to continue their essential work.

The future prosperity of the island economy is essential to building on the peace we have achieved and to creating economic opportunities for a new generation that can enjoy that peace. We will not let our economic difficulties distract us from that core mission of this Government.

As well as the work of the North-South bodies, areas of co-operation such as health and education, and joint investment projects, there is an increasing range of shared economic concerns between North and South in areas such as banking, energy and research development. I look forward to discussing these issues with colleagues from the Northern Ireland Executive at the British-Irish Council meeting next week and at the next meeting of the North South Ministerial Council, which I expect to be held shortly.

Our economy retains very significant strengths. We have the youngest population in Europe, with one in three under 25; we have the highest proportion of graduates among the 25 to 34 age group in the European Union; our exports are performing strongly; we are the ninth best country worldwide in which to do business——

Deputy Pádraic McCormack: Exporting people.

The Taoiseach: ——according to the World Bank; Ireland's stock of direct inward investment is five times greater than the OECD average; our competitiveness has significantly improved; we have clusters of the world's leading multinational companies, and continue to attract high levels of investment. Almost 1,000 companies, including household names such as IBM, Google, eBay and Facebook, have chosen Ireland as the hub of their European operations.

Deputy Noel J. Coonan: And so has the IMF.

The Taoiseach: A fair and effective budget will boost confidence and jobs. We need to start believing in ourselves again, particularly in the public arena——

(Interruptions).

The Taoiseach: ——and to communicate that with confidence to the outside world. I commend the budget to the House.

Deputy Pádraic McCormack: Does the Taoiseach's own party have confidence? There is not much confidence behind the Taoiseach.

Deputy Enda Kenny: That was a speech of desperation from the Taoiseach.

The Taoiseach: The Deputy should make his own speech.

Deputy Paul Gogarty: It was a rollicking speech of desperation. The Deputy skipped that bit.

Deputy Pádraic McCormack: The baby is there again.

Deputy Enda Kenny: Anybody listening to that speech who was not acquainted with the true facts of what is happening in our country would assume we had a balance of payments in surplus, full employment and that we were leaders on a world scale.

The Taoiseach has not been straight with the people. He started off this morning by saying it is important to be straight with people. The Taoiseach was not straight in terms of the fundamental question about banks when he was asked if Anglo Irish Bank was a question of liquidity or solvency. He said liquidity, and his Minister for Finance said that also, but that was not the case. He was not straight with the people when he said that the ECB and the IMF were at our shores to take away our economic sovereignty, cast away by his party, the great Republican party, after all these years. He has not been straight with the people in telling them about what he calls employment stabilisation. That is the new term for emigration, and our people are in Canada, America, Australia and every other country. They are going, going, going, as the poet said, and we cannot bid them stay. That is because of the direct failure of the Taoiseach's Government and his inability to deal with the problems of our country or to face the crises he has let develop over the years. If anything is eating away at the internal dynamics of this Government it is the Taoiseach's own failures and his lack of recognition of those failures in the past number of years.

The Taoiseach said this morning that he cast doubt on Fine Gael's numbers and that they did not add up.

The Taoiseach: You did.

Deputy Enda Kenny: They were costed by the Department of Finance and not a single journalist or economist has cast any aspersions on those——

The Taoiseach: No. The Deputy got his sums wrong again.

Deputy Enda Kenny: ——but what the Taoiseach did not admit was that there was a fairer way of dealing with achievement of the targets we have accepted in the national interest. The massive income taxes on low and middle income families in the budget are expected to raise €830 million for the Taoiseach's Government next year.

Deputy Dick Roche: Tell us about the Labour tax proposals and how they compare to the Deputy's.

Deputy Enda Kenny: The cuts to payments for the disabled, the blind, the carers and widows are saving a further €90 million. We pointed out that those savings, and more, could have been achieved by different methods including an additional €260 million in public service payroll savings, including bigger cuts at the top, and a more ambitious rationalisation programme than this Government is intending to achieve through the Croke Park deal. An additional €340 million could be saved by closing tax breaks for the rich, including an immediate suspension of legacy property based reliefs for developers which was extended by the Taoiseach as Taoiseach and as Minister for Finance, and an additional €700 million from cutting the cost of pensions tax relief, particularly for the well heeled. These figures were costed by the Department of Finance, and they add up.

Perhaps we should suspend all business and just talk about what is contained in page 15 of the Taoiseach's script. It reads: "Our five year integrated plan for trade, tourism and investment will generate 300,000 jobs and boost exports by one third." How is that being straight with the people? Where are the statistics to back up that?

The Taoiseach: IDA and Enterprise Ireland.

Deputy Dick Roche: A total of 150,000 jobs——

Deputy Enda Kenny: It refers to 300,000 jobs but there are 429,000 on the live register.

Deputy Mary Coughlan: The Deputy should read Horizon 2020, which I launched.

Deputy Enda Kenny: The Taoiseach says his plan will generate these jobs but there are no backups——

Deputy Mary Coughlan: I will get the Deputy a copy.

Deputy Enda Kenny: ——to any of those figures. The Taoiseach is not being straight in that regard.. For instance——

A Deputy: That is reassuring of the Tánaiste.

Deputy Dick Roche: Deputy Kenny did not show much competence.

Deputy Enda Kenny: ——as was pointed out yesterday by Deputy Noonan, many of the figures contained in this budget document are not backed up by any policy decisions. Page B.15, on activation measures, states that a reduced live register from a more intensive labour activation strategy will yield €100 million. Where is that? On administrative efficiencies, it states that there will be a reduction in expenditure on departmental administration yielding €11 million. What is that about? On other measures, it states that a range of other measures relating to control, eligibility and structural reform will be announced at a later date, yielding €49 million.

Deputy Olivia Mitchell: They are all talking about that in town.

Deputy Enda Kenny: In the Department of Communications, Energy and Natural Resources, €6.2 million will be saved on the Vote in respect of TG4. The administrative efficiencies in the Department of Community, Equality and Gaeltacht Affairs amount to €10 million. There is €380 million from the Department of Health and Children in demand-led schemes savings — is that generic drugs? — and other procurement and non-core pay savings of €200 million. There is an estimated payroll saving from the voluntary exit package of €123 million.

In the Department of Justice and Law Reform, the Taoiseach might explain the Garda management efficiencies of €20 million. What is that about? Where is the policy decision that underlines that so that people can understand what it is that he is being straight about with them?

The Taoiseach: The Minister for Justice and Law Reform will give all of that detail.

Deputy Noel J. Coonan: A pub with no beer and a college with no students.

Deputy Enda Kenny: On regional airports, for the Tánaiste, it states that curtailment of support for regional air services from mid-2011 will yield €5 million. That directly affects Donegal, Sligo, Knock, Galway and Kerry. The Tánaiste might explain that when she speaks.

(Interruptions).

Deputy Enda Kenny: Yesterday was the Minister for Finance's fourth budget in two years. It is my sincere hope that it will be the Taoiseach's party's last budget for many years to come for the party opposite has shown that it is incapable of learning from its mistakes. This budget, like the Minister's previous efforts, is devoid of hope, ideas and imagination. It is a budget devised by bean counters to meet the fiscal targets set by outsiders. It is the product of a Minister who knows the price of everything and the value of nothing.

The Irish people do not need to be told just how bad things are. They know it only too well from their daily lives. Because they know times are tough, they never expected that this budget would be easy but the very least they expected was that the budget would be fair. Instead, they got a series of proposals from the Minister that widened the gap between those at the top and those at the bottom. The statistic I quoted earlier makes it clear. Before this budget the Taoiseach's salary was 13 times the minimum wage and after this budget his salary is 14 times the minimum wage. How can he possibly justify such unfairness in a situation like this? That is not the worst of it.

Buried in the numbers is a savage reduction of €8 per week in the income of carers, of widows, of the blind and of those with a disability. We all remember the posters from Fianna Fáil that read health cuts hurt the old, the sick and the handicapped. The €8 reduction hurts the quality of the lives of the carers, those with a disability, the blind and the widows. Let us be clear about this: there is absolutely no economic, moral or social case for cutting the income of vulnerable groups such as these, especially when there is a clear alternative. The exclusion of all these would have cost the State €96 million. This would have been paid for by the proposal from my party to completely overhaul the welfare system and establish a single payment and entitlement service. The Taoiseach may well laugh, smirk and grin at it, but he is responsible for deliberately driving a wedge——

The Taoiseach: Deputy Kenny would never cut welfare.

Deputy Enda Kenny: ——and a stake through the quality of life of so many——

Deputy Pádraic McCormack: There are only disciples left. The Taoiseach should be careful.

Deputy Enda Kenny: ——hundreds of thousands of low and middle-income families.

The Taoiseach: No tax increase, no welfare cuts. It does not give Deputy Noonan much room for manoeuvre.

Deputy Enda Kenny: It is the Government who has taken the cut in income from widows, the blind, those with a disability and carers.

Deputy Michael Noonan: They are watching the Taoiseach.

Deputy Enda Kenny: The Taoiseach may cast them aside. He may think it is funny. It is not.

The Taoiseach: Incredible.

Deputy Enda Kenny: The Government has chosen the easy way out again. It chose to target the vulnerable rather than risk upsetting the powerful vested interests by introducing radical reform.

This budget is incredibly harsh on low and middle-income families. Under the Government's proposal a family with one earner and three children earning €40,000 a year will see its annual income fall by almost €1,700. The same family's after-tax income would have been €1,500 per year better off under Fine Gael's alternative plan, which also saw the deficit being reduced by €6 billion. The Taoiseach did not give any credit for the acceptance of the targets over a four year period by my party.

The Taoiseach: Setting the targets is the easy bit.

Deputy Enda Kenny: Our four year plan was costed by the Department of Finance.

The Taoiseach: There is a bigger target.

Deputy Enda Kenny: Where is the fairness in targeting hard-working families who may be burdened with negative equity and who have rising utility bills and the prospect of even more expensive mortgages?

Ireland also desperately needed a budget with a clear and credible plan to grow the economy and give our young people some hope for the future. What we got instead was a budget that contains no strategy for growth, no strategy for reform and no strategy for jobs beyond the bland statement which is here, which the Taoiseach has repeated on a dozen occasions in the past 12 months, that his plan says 300,000 jobs over the next five years. The Taoiseach has never backed up any one of those jobs with concrete evidence.

There is nothing in this budget that comes any way close to matching either the scale or the ambition of Fine Gael's NewERA stimulus plan to create jobs and to improve competitiveness. Likewise, there is no plan to reform the public sector or to change the way the political system works. These are three fundamental failures of the Government. Even relatively minor proposals, such as Fine Gael's suggestion that the jobs tax on low-income employees should be reduced, have been rejected even though we have shown how they could be paid for through aggressive cost reductions in the public services.

This stale, unfair and out-of-touch budget confirms one point clearly. The Government is exhausted, jaded and out of ideas.

Deputy Pádraic McCormack: It is gone.

The Taoiseach: Is Deputy Kenny exhausted saying the same thing every year?

Deputy Enda Kenny: It has run out of ideas and it is run out of time. It has locked itself away in a bunker of its own making, afraid of change and suspicious of any new thinking that comes from the outside.

The Taoiseach: Who is writing this stuff?

Deputy Enda Kenny: The best and final service that the Taoiseach and his Minister could render now is to allow the people to give a new Government a fresh and clear mandate, which issue now rests entirely with the Green Party which is absent from the House.

Deputy Pádraic McCormack: Deputy Gogarty does not count.

(Interruptions).

Deputy Seán Barrett: The baby is here.

Deputy Enda Kenny: Gabh mo leithscéal, ní fhaca mé suas ansin é. Tá an Teachta Gogarty chomh fada suas ansin.

Deputy Paul Gogarty: Is mise an crisis boss inniú.

Deputy Charles Flanagan: Like Deputy Mansergh, a new vegetable.

Deputy Enda Kenny: The people will have a number of choices. They can vote for the Fianna Fáil Party that has devastated the economy, undermined the Republic and cast away our economic independence, the party which, egged on by its former allies, introduced all of the worst excesses of the free market to Ireland. Alternatively, they can vote for parties of the left, which have committed in some cases to massive tax increases but have not yet spelled out

the details of their plans for the way ahead, or they can vote for my party whose plan to rebuild the country rejects simplistic notions on a political spectrum of right and left, a party whose only allegiance is to the people and which is not tied, either to big business——

Deputy Paul Gogarty: Then stop taking political donations from it.

Deputy Enda Kenny: ——or powerful unions. Fine Gael, in government, will keep taxes as low as possible, not for any ideological reasons but because international evidence shows quite clearly that this is the best way to create jobs and to generate growth. As Deputy Noonan pointed out yesterday, no country has ever taxed its way back to prosperity.

This party will also reform government and make it leaner, not because of any hostility to the public sector but because we can only protect front line services if we reduce costs and increase efficiency. I have listened to people making wild statements that Fine Gael wanted to get rid of 30,000 front line teachers, nurses and gardaí. How stupid can they be? The point is that we respect the work of public services and our proposal is based entirely on the retention of front line services such as those provided by nurses, gardaí and teachers.

Deputy Paul Gogarty: Count the teachers.

Deputy Enda Kenny: I might add that, as has been pointed out by many, if it costs €90,000 to train a young Irish nurse who is one of the best qualified in the world, and they all have gone away and some returned to be employed on an agency basis, what the Government has done has been to allow proliferation of administrative bureaucracy that is to the detriment of those front line services which the Government has always cut as a first instance.

Deputy Frank Feighan: Hear, hear.

Deputy Enda Kenny: We have also pointed out that it is important to lead from the top and the front and deal with the issues of the Houses, this Chamber, Government, the cost of governance and the way it operates. A story is circulating that the Cabinet has discussed the abolition of the Seanad by referendum on the day of the general election. This is some conversion on the road to Damascus if it is true, as the Taoiseach and his Ministers have vehemently rejected the proposal during the recent period.

Fine Gael in government will tackle the deficit, not because we believe in austerity, but because Ireland can regain its sovereignty only by returning to the international money markets as soon as possible. Almost two years ago, the Taoiseach informed the House, “as long as I am running this Government I will run the Government as I see fit”.

Deputy Frank Feighan: I will do it my way.

Deputy Noel J. Coonan: Where is Chopra now?

Deputy Enda Kenny: That is what the Taoiseach said.

The Taoiseach: How would you run yours?

Deputy Pádraic McCormack: We will find out shortly.

Deputy Enda Kenny: I will certainly run it in a very different way to yours, Brian.

The Taoiseach: Someone else’s way — Eamon’s way.

Deputy Frank Feighan: Frank Sinatra.

Deputy Enda Kenny: The Taoiseach's absent colleagues have no faith or confidence in him and want him out. The Minister for Environment, Heritage and Local Government wants the election by the end of January. Wait and see. If the Taoiseach decides to be on this side of the House, then fair enough. He will see what a good government will do in the interests of the people and not carry on the way he carried on for the past ten years.

Deputies: Hear, hear.

Deputy Enda Kenny: As one of the Ministers said to me previously, when one is on antibiotics one becomes immune to things after 13 years. That is what is wrong with the Government. It is flattened, jaded, exhausted, out of ideas and out of time.

The Taoiseach: Here we go again.

Deputy Olivia Mitchell: Arrogance.

The Taoiseach: Arrogance? Presuming on the people's decision?

Deputy Enda Kenny: This is why we accepted the overall targets set out. This is why we accepted a €6 billion adjustment for this year and a €9 billion adjustment over the next three years. Not only did we accept this, but we put down our four year plan costed to deal with it. When we met the IMF and the ECB, they made it perfectly clear that in the context of the plan approved and signed off by the Taoiseach — not in my name or in the people's name but by the Government — they are quite prepared to listen to alternative proposals that can be stronger, better and more inventive in the interests of the country than what the Taoiseach put into it.

The Taoiseach: They will have a lot of confidence having heard the Deputy this morning — no tax increases or social welfare cuts. The Deputy will get a very warm reception.

Deputy Enda Kenny: I stated there would be no income tax increases for 2011. It could have been done a different way. Ask the thousands of middle-income and low-income families being fleeced by Fianna Fáil.

Deputy Pádraic McCormack: The Taoiseach is very upset, whatever is wrong with him.

Deputy Paul Gogarty: Deputy Eamon Gilmore will double those tax increases.

Deputy Enda Kenny: The point is that the Taoiseach did not tell people the truth. He was not straight with them about the IMF or the ECB. These people have now taken away our economic independence. The Taoiseach cashed in our sovereignty and it is our job to see they are sent home as quickly as possible.

Deputy Terence Flanagan: Hear, hear.

Deputy Enda Kenny: The Taoiseach's first mistake was to believe his own party's propaganda and to believe that investors would reward Ireland if the Government, as he once said, just wrote whatever cheques were necessary for the banks. As Fine Gael predicted on more than one occasion, this blank cheque policy has failed completely. A few months back, in an article in *The New York Times*, a reporter asked whether one bank could bring down a country. Unfortunately, we now know the answer. By pouring so much money into Anglo Irish Bank and by failing to insist that bondholders should share in the pain of rescuing the banks, the Taoiseach turned a banking crisis into a national crisis and every person in the next generation

will have this responsibility on their shoulders. If it were not for the Government's failed banking policy, it is highly probable that Ireland would not have needed the IMF bailout.

The Taoiseach asked me how this party would have handled it. It would have been handled very differently. We would have used the period of stability provided by the bank guarantee to restructure the banks and impose losses on banks' investors. From the start we were the first party to recognise that Anglo Irish Bank could never survive as a commercial entity and needed to be wound down. The Taoiseach scoffed at that. We were also the first party to argue that it was completely unfair for the Irish people to shoulder all of the losses for our banks, and that it was only fair that the people who had lent recklessly to the banks should share in that pain. As the Taoiseach knows, it is a basic rule of capitalism that if one lends recklessly to failed institutions, one must take the consequences — a basic rule that he deliberately decided to ignore. Two half years on, we still have not been able to break into the encrypted files in Anglo Irish Bank. Nobody has been sent to jail, nobody has been prosecuted and nobody has been brought before the courts where the law of the land should apply.

The Taoiseach's second mistake was to believe that spending cuts and tax increases could by themselves fix the deficit. However, as Deputy Michael Noonan pointed out yesterday, no country has ever taxed its way out of recession. Nations have only ever grown their way out of recession. This is why Fine Gael developed its NewERA stimulus plan, which the Minister for Finance originally welcomed and then rejected. The results have been all too predictable, miserable economic growth necessitating even more spending cuts and tax increases. The recent decision by the European Commission to revise down its growth projection for Ireland in 2011 confirms that it too lacks any sense of confidence in the Government's growth policies.

These mistakes can be laid directly at the Taoiseach's door and the door of the Minister for Finance. They have destroyed our economy and the morale and confidence of the Irish people. There is nothing in the budget speech or in the Taoiseach's contribution today that reaches out to those young people pondering their future and wondering what subjects they should take to leaving certificate so that they might have a job in 2018. Those now being forced to leave again are getting no response from the Government about a future of any confidence for them and neither are those young people in limbo with regard to the right to finish their apprenticeships clearly and confidently so that they have a certificate that stands up all over the world if they want to go. The Taoiseach has not done anything in respect of the 60,000 undocumented in the United States. He speaks a lot about them but not much is happening. The Irish people are angry and very afraid. They are afraid for their future because the Government offers no hope, confidence or vision. What was done in yesterday's budget was to consign thousands of middle and lower income families to further penury, pressure and stress.

Our economic sovereignty has been seriously eroded. It is humiliating for a proud country like this to be placed in this position by an incompetent Government and reckless activities. However, now is not the time for despair nor the time to sink beneath waves of disillusionment and despondency. This is a time for a change of emphasis, direction and motivation to galvanise our people, as they have often done in previous times of adversity, to rise to meet this challenge, as we can.

I have defended the Taoiseach and his Government and our foreign direct investment programme in the United States and in Brussels on more than one occasion. We support very strongly the 12.5% corporation tax rate. I have made this point in Brussels and I will do so again. The Irish people signed it into the Lisbon treaty; it is a cornerstone of our investment programme. We all know the projections for many multinationals are very strong for the future and we must support this. However, the loss of competitiveness in our indigenous manufacturing sector and the lack of confidence that the Government has engendered in the spirit of our

[Deputy Enda Kenny.]

people are doing down our country and the Government will never recover or be able to recapture that type of enlightened attitude from our people because it has let them down and hurt them in their pockets and hurt their spirit. It has failed in its duty in this regard.

The only response of the Minister for Education and Skills to the international education assessment published recently which showed Ireland slipped to 15th or 17th place in the European league was to state we must do more to improve literacy and numeracy.

Deputy Mary Coughlan: I said a bit more than that.

Deputy Enda Kenny: This is like her predecessor speaking about happy parents, happy teachers and happy families. Huge amounts of rent are being paid for prefab buildings in dilapidated conditions. So much more could have been done.

Deputy Mary Coughlan: We have converted them——

Deputy Enda Kenny: They were the Minister's words yesterday. She stated we must do more and make a major effort in literacy and numeracy.

Deputy Mary Coughlan: Deputy Kenny forgot about the speech last week about teacher education and competence and professionalism, and about literacy and numeracy. He forgot all of that. He is a former teacher.

Deputy Enda Kenny: The evidence internationally is that our teenage students have slipped in the area of literacy for which the Minister, Deputy Coughlan, is now directly responsible. In every Ministry she has held, she has failed to live up to the reputation with which she came.

Fine Gael will continue to set out its own strategy, which will be about changing the way our politics work and will ask the people for the opportunity to abolish Seanad Éireann. It will reduce the number of Deputies and change this theatre here and make it a place where the big announcements are made, where transparency is evident, where accountability is had and where Ministers respond to legitimate questions from Members. We will implement our NewERA stimulus plan to provide over 100,000 jobs through commercial entities dealing with water, communications and renewables. We will reform the banking system so that we will never again have a situation where greed and incompetence will bring down the entire country. We will reinvent Government and transform our health system by bringing the Dutch model of health care to Ireland.

For all of this to happen, Ireland needs the kind of rational, reforming Government that Fine Gael provided in the past and will provide again in the not too distant future. What it does not need is a continuation of an incompetent Government of abject recklessness that lacks compassion for the people and the times in which they now live. These times are too dangerous. The problems we face are too serious for a Government that continues to cripple the spirit of Ireland and our people and which continues to destroy any prospect of growth with sky high taxes and to leave in place waste and inefficiency. There is nothing in the Government's document about real reform of the way we deliver our public services.

I speak to multinational companies or small businesses and explain our clear aspiration that by 2016 we should demonstrate that Ireland is the best small country in the world in which to do business. I ask the big firms what Government could do to help them improve the atmosphere and environment in which they do business, whether through planning, transport, communication or energy costs. I asked the person in a small sweet shop in Donegal what he wanted or would like to see a Government doing for him, and he mentioned the abolition of PRSI for lower paid employees and a number of other areas where help could be provided.

However, he also pointed out that for his little shop, he needed 21 different licences to operate as a retailer, because of the tunnel vision of all the different independent systems that have no interconnection.

The budget announced yesterday by the Government has completely failed to understand the savings that could be made, the efficiencies that could be created, the respect that could be generated for public services and the dignity of those working in those services who want to give of their best for their country, but cannot because the system the Government has allowed to develop over the years strangles their initiative, creativity and willingness to contribute to their country. I urge the Taoiseach never to forget that the people of this country are pragmatic. If we explain the scale and nature of the problem and the timescale for dealing with it, they will want to contribute, provided their contribution is respected and fair. What was done in yesterday's budget is palpably unfair. When I asked the Taoiseach a question on it earlier this morning, he did not answer it. Carers, the disabled, the blind and the widowed are all affected and because of all the time the Taoiseach spent dealing with the political issue of the pension problem, he forgot there was a better way to do things. He need not have imposed these cuts on carers, disabled, blind and widowed to save €96 million if he had taken the advice we offered him.

I see nothing in the budget to repair the damage done to Ireland's international reputation. I have with me a letter from Japan describing how taxi drivers in Osaka speak about Ireland in a negative way because of their perception of our country. The credit of people in the wholesale and retail business is being cancelled in Egypt, India and China because of the situation the Government has allowed to develop. As far as I can see, this budget does not deal with the central issues of vision, growth, job stimulus and investment. It imposes further taxes on jobs and does not deal with the future potential of our country. I decry the continued pathetic attempts of the Government. It is time for it to go and for it to give the people an opportunity to have a say with a new Government.

Deputy Eamon Gilmore: I wish to share my time with Deputy Brendan Howlin.

Acting Chairman (Deputy Joe Costello): Is that agreed? Agreed.

Deputy Eamon Gilmore: The arrogance of Fianna Fáil knows no bounds. It is an arrogance which comes from being in Government for too long — in Government for the past 14 years and for 22 out of the past 24 years. It is an arrogance which is expressed most eloquently by the Taoiseach himself and we got a fine example of it earlier this morning. That arrogance says to us that it does not matter what Fianna Fáil did, it should never say “sorry” or never admit a mistake. It is an arrogance that says that only Fianna Fáil can rule and that the Opposition is always wrong. That arrogance was brought to a new level today. We have a Government that turned an economic boom to a bust, made a most calamitous mistake in how it handled the banking crisis and refused to accept it got it wrong, and which has presided over the worst economic crisis that this country has faced. Then, in the final months of its life, it went and negotiated a bad deal with the international institutions. I suppose it is fortunate for the Government that the snow over the past week or ten days has prevented the deal from getting the kind of scrutiny it might otherwise have got. Having negotiated that bad deal, the Government has now come back to us and told us that we are all bound by it, that a new Government cannot change it and that it is done and dusted.

The Taoiseach: I did not say that.

Deputy Eamon Gilmore: The Government has told us at the same time that there is no surrender nor loss of sovereignty in the deal and that it complies with our Constitution. That

[Deputy Eamon Gilmore.]

is an arrogance that has now fired the first shots of its general election campaign and which demonstrates that Fianna Fáil wants to fight it on its distorted version of what Opposition parties are saying. I advise the Taoiseach that he is going to fight this election on his miserable record.

Deputies: Hear, hear.

The Taoiseach: What will Deputy Gilmore fight it on?

Deputy Eamon Gilmore: Yesterday's budget was the most severe we have ever seen, but it did not sound like it, because in his budget speech, the Minister managed to avoid announcing most of the bad news by occasionally referring to the details in the accompanying budget documentation — a victory for tone over content. It is, therefore, a budget that will take some time to sink in. The Taoiseach gives the impression that the Government is protecting working people from tax increases and suggests that the Labour Party would tax them even more. Let us see what working people will say and how they will feel when they see their first pay packets in the new year. They will then realise the full combined impact of the reductions in tax credits and in the standard band, the loss of rent relief and the measures that will oblige working mothers to pay for benefit in kind for employer provided child care.

The budget may have passed in the Dáil last night, but its impact will only grow with each passing week in the new year. This budget is the itemised bill for the utter failure of Fianna Fáil's economic mismanagement. It sets out who pays for the abject failures of a succession of Fianna Fáil Ministers for Finance and years of complete incompetence.

As usual, people on low and middle incomes will have to pay. Pensioners on modest incomes will pay when the age exemption is cut and passport fees are applied. A pensioner couple on €40,000 will face €2,000 in additional taxes. Families with children will pay when child benefit is cut for another year, bringing the total cut for a family with three children over two years to €88 per month, in addition to the loss of the early childhood payment. Tax credits are being cut by €360 for each earner in the household and new fees are being applied to school transport. Young people looking for work or training will pay when their jobs seekers allowance is cut, a €200 fee is applied to further education courses and third level fees go up again. The people who have lost their jobs will pay when welfare is cut by €8 per week on top of the €8 cut last year. There is no compensation for the loss of child benefit. The low-paid worker will pay when the minimum wage is cut and income levies reach down to low levels of earnings.

Who will not pay? The highest earners pay more PRSI but are compensated by the cut in the top rate of levies. The 7% universal charge is replacing a combined 11% health contribution and levy. The high income earners in property schemes do not pay, or at least not yet, because their tax breaks are to be phased out gently rather than abolished. The tax exiles will not pay. We are still waiting for them to fork out a single cent from the measures introduced in last year's budget. In times gone by, we used to talk about the old reliables of excise duties on beer and cigarettes. Today, the old reliables are the tax breaks that Fianna Fáil continue to defend for the vested interests.

This budget is based on a strategy that has already failed. It has been constructed more on injured pride than on logic and more on ideology than on common sense. It is a budget based not on sound economics but on bad politics and failed diplomacy. It was not written in the national interest but as part of negotiations with the European Union and the IMF. It is part of a bad deal achieved for Ireland by Fianna Fáil in an attempt to write not just this budget but the next four budgets and to tie the hands of the next Government to its failed strategies. Labour will not be bound by its failures, however.

Let us be clear as to why the Government has brought in a budget that will take €6 billion, or almost 4.7% of GNP, out of the economy in a single year. The single most important decision that brought us to this budget is the blanket bank guarantee. That decision bound the Irish taxpayer to the losses of the banks incurred as a result of a property boom stoked by Fianna Fáil at every opportunity and its utter failure to regulate the banks. The blanket guarantee fundamentally undermined the creditworthiness of the State and led to a catastrophic loss of confidence in Irish bonds. That was the key decision from which there was no return.

It took a hard neck for the Minister for Finance to pretend yesterday that the need to seek help from the IMF only arose in the latter half of 2010. Listening to his speech, one would almost believe that the Irish economy met with an unfortunate accident during the summer holidays. We are here today as the direct result of the blanket guarantee and a series of profound errors that occurred prior to it and afterwards. Over the two years that followed the blanket guarantee, Fianna Fáil failed to get a grip of the banking crisis. NAMA, the strategy that was to save us, was always a getaway car and had the effect of crystallising losses in the banking system for all the world to see. Fianna Fáil constantly over-promised to the market but it under delivered. In doing so it fundamentally undermined confidence in this country and its creditworthiness.

Just as the game was up and bond yields were rising, a last ditch attempt was made to convince investors that they should lend to the State. Budget 2011, we were told, would make budget adjustments of €6 billion. This number was supposed to sufficiently impress the markets that they would agree to lend us money at reasonable rates again but nobody bought the story. Markets shied away because they could see the risk to growth of an adjustment of that size. The ECB's patience came to an end and Ireland was forced to go cap in hand to the IMF and the European Union for a loan. That is the basis for the €6 billion figure. It is a figure that was supposed to convince the markets but it failed to do so. It is a figure that was supposed to get the deficit in Ireland below 10% of GDP because the Minister insisted 10% was the magic number for the markets. Ireland, of course, is no longer in the market but having conceded the €6 billion figure to the European commission, Fianna Fáil now believes it cannot back away from it.

In fact, the analysis presented by the Department of Finance to the Labour Party was clearly intended to show that an adjustment of more than €4.5 billion would be self-defeating because it would not reduce the overall quantum of adjustment needed to get the deficit down to 3% by 2014. While the Commission continues to argue for the €6 billion adjustment, its own economic forecast shows a growth rate of half the Government's projected growth rate and a deficit that falls short of the so-called magic number of less than 10%. The logic for €6 billion has evaporated. It must now be asked who the €6 billion is supposed to impress. It is interesting to compare the economic forecast of the Government with that of the Commission. The Commission forecasts growth of 0.9% in GDP because it believes that exports will expand by 4.5% , imports will remain muted and domestic demand, that is, consumption and investment will fall by 3.2%. The Commission predicts that consumption, which is worth about 50% of GDP and is jobs intensive, will fall by nearly 2%. The Government, however, expect exports to grow by 4.9% and that consumption will remain static in volume terms. Even though the Commission wants to stick to the €6 billion figure, it is not prepared to endorse the Government's forecast for the impact of a €6 billion adjustment on the economy.

The truth is that nobody knows how the economy will perform next year. Macro-economic forecasting is at best a form of educated guess work. Like opinion polls, macroeconomic forecasts are estimates which are subject to a margin of error, although economists rarely speak of them in that way. One can of course construct a forecast that indicates the economy will grow

[Deputy Eamon Gilmore.]

by 1.7% next year after €6 billion is removed from it but this comes with risks attached on the downside.

There is a lot we do not know about how the economy will perform next year. We are in uncharted waters. Ireland has suffered recessions in the past but none like this. Ireland has had a debt crisis before but it was not coupled with a banking crisis and an international recession. With the banking sector deleveraging and consumers paying off debts and adding to savings, there is every reason to be concerned about domestic demand next year.

In that context of uncertainty and downside risks, €6 billion is the wrong judgment on the scale of adjustment. We have been told in the four year plan that confidence is the key. What Paul Krugman calls the “confidence fairy” is going to make everything better if we take enough medicine. Confidence is important and it needs to be restored but the non-Keynesian confidence effects are speculative and unpredictable while the normal Keynesian effects of taking that much money out of the economy are far more mechanical and obvious. Equally, what should have been learned from this mess — but was not — is that restoring confidence is as much about restoring growth as it is about headline figures on deficit reduction. In the end, this is a question of judging risk and the risks of this adjustment are too high.

This is not an academic exercise. Ireland is not a laboratory for economists who want to conduct interesting experiments and write conference papers afterwards. We are speaking about people’s jobs, their livelihoods and their homes, and whether their children will get jobs in this country or their grandchildren will grow up here. One does not take risks in those areas. One does not take risks with people’s homes because one cannot own up to having made mistakes, with people’s jobs because one cannot stand up to the Commission, or with the life chances of thousands of young people because one is part of a cosy ideological consensus that deep down believes austerity is good. It is not. It is sometimes necessary, but it has real consequences for real people in real life.

That is why Labour has proposed to keep the adjustment to €4.5 billion. It is still a demanding figure, but it leaves some room for growth and employment in 2011. It leaves some room for the economy to show growth, and for the Irish people to feel that we do actually have a prospect of turning the corner.

Labour stood alone in this House in opposing the blanket guarantee. We were right. Labour opposed NAMA. We were right. We are right in opposing this €6 billion adjustment, because it is not in the national interest, and because it is simply too dangerous.

The sad reality is that this budget is constructed on exactly the same kind of conservative consensus that got us into this mess in the first place and that says the market must always be free to do what it likes and that Government should get out of the way. Let us be clear too. The conservative consensus has no strategy for growth. This budget has no growth strategy, and it shows a vacuum in economic thinking about how an economy like Ireland can grow in the years to come.

Ireland is a small, open and flexible economy that has a proven capacity to trade successfully in world markets and, in doing so, to provide high and stable living standards for our people. To succeed in that objective, the role of Government is not marginal. It is critical, not in the sense of directing individual decisions about investment and production, but in the modern sense of supporting a network of institutions that support and nurture enterprise, and support and nurture people.

If this crisis has taught us anything, it is that failures of regulation can be catastrophic for all of us. It has also reminded us of how much we depend on each other. What we are living through is the first global crisis in global capitalism. We will get out of it, but it won’t be the

last recession. What matters for growth, and what matters for securing the living standards of our people, is that we have a growth model that combines both opportunity and security.

The conservative consensus just doesn't get that. They persist in the notion that social protection is purely a cost, that when you want the poor to do something you take something off them but when you want the rich to do something you give them more. What does it say about the Irish as a people, and what does it say to people who are asked to contribute to the social security system in the future, that as soon as trouble comes, rather than rally round to protect each other, we will mark out welfare as the target for cuts? It is a folly, and a short-sighted one at that.

The conservative consensus continues to insist that there is some kind of macroeconomic upside in basing adjustment on cuts, rather than revenue raising. It is a political argument dressed up as economics. It is an argument that utterly fails to understand the medium-term needs of a small open economy, or the need for adjustment to be economically, socially and politically sustainable.

The elements of a growth strategy for an economy such as Ireland are not complicated in theory. The problem is that they take years to build up and can be quickly eroded. The future of our economy depends on having a set of interlocking economic policies that promote the following — competitiveness in the short run and knowledge based productivity growth in the long run; a strategy for investment in infrastructure, in people and in knowledge; an enterprise strategy that plays to our natural and accumulated comparative advantages; a labour market strategy that fits the skills of our people to the needs of the economy and of society; a functioning banking system that provides credit and supports entrepreneurs; and stability in the public finances and fair taxation

Throughout this crisis, we have seen an obsession in Government with the banking system and the fiscal crisis, and no attention being paid in either the short term or the longer term to economic growth. We have had a lot of glossy guff about the smart economy, when what we actually need is a coherent jobs strategy that will translate into knowledge based productivity growth in all sectors.

There is no strategy in this budget, or in the four year plan, that meets these needs. Competitiveness is reduced to a low wage strategy focused on a cut in the national minimum wage. The strategy for investment is an announcement about the pensions reserve fund being prepared to finance public private partnerships, and is clearly not intended ever to be carried through. Enterprise strategy is about more tax breaks. The budget contains nothing on credit for small business and there is no labour market strategy worthy of that name.

What the conservative cheerleaders do not understand, or do not want to understand, is that this is a small island that cannot afford the social division they seek to promote. We cannot afford to portion off a sector of our society and say they do not matter. If we are to succeed as a people, we must harness the talents of all of our people. It is not just morally right, but economically necessary that no child is left behind.

So, why is it that the four year plan has imposed a cut in the educational psychological service? How can any Minister come into this House and talk about the smart economy, when the OECD tells us that the literacy standards of 15 year olds have fallen from ranking fifth out of 61 countries, to trailing in at 17th. In maths and science, Irish 15 year olds have fallen from 17th to 26th place. According to the same report, one in five 15 year olds does not have the maths or reading skills to participate fully in society or in future learning, yet this Fianna Fáil Government plans to take 1,200 teaching posts out of the system between now and 2014. The majority of these relate to disadvantaged children, such as Traveller children, newcomer children and students doing a vocational leaving certificate. On top of this, the 150 extra teachers

[Deputy Eamon Gilmore.]

the Green Party claimed as a victory in their renewed programme for Government last year are to be shelved.

As a country, we like to tell ourselves that we have a great education system, and we do. But there are holes in it, that swallow up the life chances and the potential of too many children. You cannot build a smart economy in a society where children cannot read, nor can you build a smart economy by placing further obstacles in the way of young people who already struggle to finish school or to go on to further education. We cannot have obstacles such as cutting the budget for programmes to prevent early school leaving by 5%; cutting the student grant, and raising the student registration charge by a further €500; or placing a €200 charge on a post-leaving certificate course. This charge is like slapping a €200 toll on a pathway to further education that is used disproportionately by students who need a second chance. It is a false economy, that will discourage people from participating in further education.

As ever, what this Fianna Fáil-Green Government takes from the education budget, families will have to reach into their pockets to replace. They must find €50 per primary school child just for getting the school bus, and €350 per secondary school child. There will be a cut in the day-to-day running costs of schools of €10 per child. In an average-sized school, that is another €2,000 shortfall parents are going to be asked to make up. Investment in education is not a drain on the Exchequer; it is an investment in our collective future.

This budget is based on a notion that somehow, public expenditure in all its forms is the problem. Labour says that we must have reform of public spending. Labour says that we must have reform of how public expenditure is managed, but we also need to have a view of why we are spending money in the first place. Our view is that public services — reformed and well managed — are a vital part of our strategy for economic recovery in delivering on the strategic imperatives I have outlined and in providing the social glue that will keep us together as a people. That is why, rather than lurching from budget to budget, and from one crude set of cuts to the next, we need a comprehensive spending review. Current spending does need to come down, but it needs to come down on the basis of a coherent multi-annual plan, that has buy-in across Government.

In my speech to the House some weeks ago, I set a target of achieving at least a 3% reduction in non-social welfare spending each year for three years. We do not need a set of *ad hoc* cuts served up by a hired consultant, but a considered view of where expenditure matters, and where it is less important. The approach favoured by Labour is a comprehensive spending review, based on the Canadian model, where the goals and means of delivering each spending programme are reconsidered.

The review should be based on the following objectives: prioritising education, as the link to our future; maintaining front line public services while reducing the cost base, particularly in the health service; maximising savings through efficiency and reform; and increasing public sector productivity, by delivering the same or better services with fewer staff.

Labour has said before that it is an absolute necessity that we achieve savings through reform, including the process of reducing numbers in the public service. After months of asking the Government for figures, the four year plan finally gives some details of what can be achieved. The target reduction in the pay bill of €1.2 billion is not, in my view, sufficiently ambitious. We need to achieve at least €1.4 billion in savings in the period 2011 to 2013, including a reduction in numbers of some 15,000 to 20,000, through a combination of natural wastage and voluntary redundancies.

The Labour Party has also accepted that Ireland can no longer afford a capital programme that is greatly in excess of the European norm. However, in bringing down the level of capital

spending, we need to promote alternatives to the traditional Exchequer support for capital projects through the establishment of a strategic investment bank. The proposal in the budget for greater involvement by the National Pensions Reserve Fund is the same empty promise that has been made year after year.

Yesterday, the House was treated to another display of the kind of falsehoods that Fianna Fáil likes to peddle, especially when there is an election in the offing. The Taoiseach tried to tell us that Labour's tax proposals would hit hard-working families harder than Fianna Fáil. He tried again today by trying to invent tax proposals which the Labour Party never made and then attacking those proposals. Labour's tax proposals were largely centred on eliminating tax expenditures. How many average hard working families have investment in property-based tax schemes that we said should be abolished? How many hard-working families have invested in car parks or hotels? How many hard-working families have huge pension pots, such as the ones we said should have limits applied for the purposes of tax relief? Yet, the Taoiseach decided to roll every proposal Labour made into one and to claim that ordinary families would be worse-off as a result. Clearly, we are going to be treated to the same old Fianna Fáil distortions for the entire election campaign.

In respect of taxation, a number of measures in the budget are in line with Labour Party priorities. For years, Fianna Fáil scoffed at the idea that there was any money to be found in reducing tax expenditures. Now, it would appear, it has discovered that this was wrong. They have made some modest changes that are welcome, but, once again, the poor must pay now while the better-off are given more time. It is necessary to curtail tax relief for pensions, although Labour has a strategy that would be fairer and would retain maximum incentive for people to save for their pensions on an ongoing basis. While it is reasonable to have some phasing-in of change in this area, the proposal in the four year plan to cut tax relief for pensions over four years makes no sense. All it is doing is encouraging people to take more money out of the economy in 2011 and 2012, rather than just getting on with needed reform.

In last year's budget, the Government signalled its intention to introduce a universal social charge and the idea featured again in the four year plan as a medium-term objective. There is merit in this idea, since it provides for the simplification of a complex tax structure. However, it must be pointed out that the original idea of the universal social charge was to include PRSI as well as the income levy and the health contribution and to deal with the associated entitlement issues. In the recent ESRI study, the benchmark figure of a 7.5% charge was based on a revenue-neutral change, including PRSI. It was in this context that Labour's proposal for a third rate of tax of 48% was framed, which would have meant a maximum income tax rate of 55%. This detailed work, however, has not been done and PRSI has been excluded from the 7% universal social charge, while the PRSI ceiling has been abolished. This significantly changes the context for future reform.

The Minister for Finance, in his speech to the House yesterday, wanted to re-write history before he packs up his boxes for the new year. I am afraid it is too late for that. History will judge Fianna Fáil for its destruction of the good economy it inherited. We have heard much today about the future from the Taoiseach. The Labour Party believes that we will only solve our economic crisis if we pull together, if we provide a floor of social protection, if people can be sure there is a reasonable health service, if we protect the family home and if we keep our eyes fixed on the future and on a better life for our children. This budget has no such strategy. Once again, the future is put on hold as children are made to pay for the mistakes of the Government. Labour passionately believes that as a country, our best days are still ahead of us. We believe that as a people, we can do a lot better. Labour believes we can restore confidence, build enterprise, expand trade, train and educate our people and create a stable and prosperous future. We can meet the aspiration that is deeply ingrained in the Irish people —

[Deputy Eamon Gilmore.]

that the future for our children will be better than today. This budget is the last act from the worst Government in the history of the State. The next Government will have hard decisions to make, but from here on, at least we can begin to build the future.

Deputy Brendan Howlin: I have listened to many budget speeches in this House over the years but none was more disingenuous and more dishonest than the one I listened to yesterday. The House listened in stunned silence and many of the media commented upon that fact. They listened in stunned silence to the last will and testament of a disastrous Government. A decade of mismanagement and incompetence has led our nation to this.

The Minister for Finance charged yesterday that other parties could have done no better. In truth, no group of people picked at random off the street could have done worse in the past decade. The Minister's speech was merely a glimpse of the savagery that was planned by this Government to impose upon the beleaguered people of Ireland. Like a rotten onion, the details that were never revealed in the banal speech delivered by the Minister for Finance have been peeled away, layer by layer, each new layer revealing more unfairness and more pain. There are more layers to come as we trawl through the budget announcements coming from each Department. We will see the details of the Social Welfare Bill, yet to be debated, today. There is much more harm and much more hurt to be endured.

The fundamental failure of the budget can be summed up in a single word, "unfair". The budget is simply unfair. How can taking €8 per week from a carer providing full-time care and support for a disabled child or an elderly person be justified? That is a reduction of €8 in a total income of €212. How can taking €8 per week from a widow or a blind person, leaving a residual payment of €188 per week, be justified? The elderly were exempt because the State pension was exempt from the cut only because the elderly of this country engendered fear into the hearts of the supporters of this Government. Carers are too busy, too preoccupied and too consumed in their 24-hour, seven day duty of providing essential care to mobilise. They are not visible and they did not make it onto Deputy Healy-Rae's mercy list. They are expected to endure in silence.

Deputy Gilmore, our party leader, spoke about the education cuts. The Green Party, whose *raison d'être* was to protect the environment — it cannot even produce climate change Bill——

Deputy John Gormley: The Deputy will see that Bill.

Deputy Brendan Howlin: ——and to protect education.

Deputy John Gormley: Yes, we certainly did that.

Deputy Brendan Howlin: They protected education by charging €50 for a primary school child to get to school in my rural constituency. They charge €350 for a secondary school pupil to get to his or her school. They charge the children to get to the school and then reduce the services available in the school when they reach the school door.

Deputy Michael D. Higgins: Travellers' children.

Deputy Brendan Howlin: Teddy Roosevelt said of America, "This country will not be a good place for any of us to live in unless we make it a good place for all of us to live in". That should have been the principle that characterised this budget, but in the opposite principle was at its heart. The template of the budget was unfairness. We were told that the new universal social charge was a proposal to simplify the taxation system by amalgamating the income levy and the health levy. In fact it is a device to bring the lowest paid, who were heretofore exempted

because of their low pay and vulnerability, into the tax net. In a perverse proposal it hauls in the lowest paid who were exempt up to now and lessens the levy burden of the highest paid. What perverse thinking could come up with that?

The Minister for Finance and his Government colleagues have introduced their last budget. However, uniquely in the history of this State they have sought to do something quite extraordinary in seeking to leave as their legacy the script for the next four budgets. They have sought to tie the State and its people into a binding fiscal straitjacket. No incoming government, they believe, can undo their work. While I accept that no incoming government can undo the scale of debt they have left as their legacy, a different Government can make different, better and fairer decisions on how that debt can be addressed.

Hitler, in his 1925 book *Mein Kampf*, coined the phrase “the big lie”, a lie so colossal that no one could believe that somebody would have the impudence to distort the truth so infamously. The big lie is now being peddled again by the Government. The big lie that will probably form the backdrop for our debate in coming weeks in the course of the general election is as follows: we as a nation somehow fell into a state of fiscal chaos; some gaping hole opened up and we stumbled into it; the Fianna Fáil and Green Party Government were mere onlookers to this disaster with no function in creating the hole in the first place; no alternative Government could have done any better; and no alternative future government will do better. It is a big lie that will not be swallowed by the people. The Government has taken them and their gullibility far enough and they now want rid of it.

The Taoiseach wishes to emphasise the differences between Labour and Fine Gael, and there are differences. They are the differences we will lay out in great detail to the people because we have different policy platforms and the people will be asked to make choices, as is their democratic right. If the parties, Labour and Fine Gael, have a majority in the next Dáil the proportion of policies will be determined by the proportion of Deputies elected, as is the people’s right. It will not be convoluted or distorted in a big lie from that side of the House.

The Labour Party will set out its programme based on recovery, reform and renegotiation. We believe that the EU-IMF deal can be re-addressed and that there are fairer ways of making the awful decisions that need to be made. To borrow a much abused phrase, we can ensure we are genuinely in this together.

Our party’s track record on reform is second to none. We believe that fundamental reform of public administration and how the country is governed is required, and we will set out our stall clearly and comprehensively for the people to judge. We have a view of a model for the country we can create with a health service that exists to serve the people and not to make profit, an education system whose reason for existence is to give every child and young adult the ability to reach his or her full potential and share the burden of building the nation, and a jobs strategy that values work and not speculation as the engine of growth. In truth the best thing the Government could do would be to step aside, let our beleaguered people make a choice for change and put competent people at the helm of our nation.

Minister for the Environment, Heritage and Local Government (Deputy John Gormley): I welcome the opportunity of contributing to this debate both as leader of the Green Party and as Minister for the Environment, Heritage and Local Government. For some time we have known that the budget for 2011 would be very tough. The reality is that our public finances are badly depleted and the country has had to resort to international help from the European Union and the IMF. There are many aspects of the budget, not least welfare cuts and tax hikes for working people, that I dislike.

[Deputy John Gormley.]

It is a matter of great regret to my colleagues and I that we, the Irish people, find ourselves in this very difficult situation. Most of us now know that hard budget choices were unavoidable, but in preparing it we have worked to protect key areas of expenditure. Overall and given our very limited room for manoeuvre, we have striven to protect the most vulnerable and provide measures to aid an early recovery. Despite all the reverses suffered in recent weeks, I retain the hope that this recovery can happen sooner rather than later.

The budget priorities the Green Party identified were as follows: protecting investment in education; reducing the costs of the political system; maintaining support for people who are homeless; sustaining forestry investment; defending arts funding; meeting our international obligations; and stimulating jobs and enterprise. I have listened to Deputy Howlin speak about education and a number of issues need to be clarified on this matter. Across all the areas I have mentioned either we have ensured no cut at all or that the cuts were less than those imposed elsewhere. In education, despite massive pressure, we protected the pupil-teacher ratio; we kept the capitation reductions very low; and ensured that third level tuition fees did not return. Ensuring good quality education is a priority for development of our economy and society, and increases the life chances for our children. Increases in the charges for third level students are much less than had been speculated as a result of us holding firm and we are pleased that the increased charges will apply to only one student in any family. I am very grateful for the very tenacious approach adopted by my parliamentary colleague, Deputy Gogarty, in defending education spending. He has remained largely unfazed by criticism in this regard and today can claim a good deal of credit.

Deputy Jan O'Sullivan: He has failed miserably.

Deputy John Gormley: He has not. I would like to see how the Labour Party handles the sort of pressure that will be put on the pupil-teacher ratio. Deputy Gogarty has done an outstanding job in his role. The teachers' unions will state that the Green Party has done a good job in this regard. Will the Labour Party maintain the pupil-teacher ratio because I do not believe Fine Gael will?

Deputy Joe Carey: The Minister should hold on and give us a chance.

Deputy John Gormley: There will undoubtedly be that tension. Having listened to Deputy Noonan last night I get the clear impression that many teachers will be for the chop because it is a way to save money.

Deputy Joe Carey: We will protect the front line.

Deputy John Gormley: It is not a way to advance the cause of education in this country.

Deputy Joe Carey: The Minister should not try to spin it.

Deputy John Gormley: That is the reality; I am responding having listened to what was said yesterday evening.

Deputy Jan O'Sullivan: What about the National Educational Psychological Service?

Deputy John Gormley: Since entering Government we have argued publicly and privately that politicians must give an example to people facing tough times. Our political system must cost less to taxpayers and these measures are an important step. I welcome the ministerial pay cuts. A Minister's take home pay has decreased by 40% over recent budgets. Tax and PRSI

changes for senior officials and public representatives, the creation of a ministerial car pool and not replacing a government jet are all matters which may in themselves not add up to a great deal in terms of expenditure but, in terms of symbolism, they are extremely important for the people.

On the question of welfare, I said previously and I say again that welfare cuts are a matter of regret to my party. We fought to avoid them but when we saw they were utterly unavoidable, we fought to keep them to a minimum and to protect the most vulnerable. Overall, we can take some small solace from noting that welfare payments are on average €2.20 higher than in 2007. The €40 cold weather fuel allowance payment is directly linked to the Green Party's role in the renewed programme for Government negotiations a little over a year ago.

These welfare cuts have become inevitable given the huge hole in the public finances and we know the reasons for that. The public finances are in a difficult situation. I listened to some of what Deputies Kenny and Gilmore said and in many cases that analysis is correct. We know, and it is recognised by people on the Government side as well, that these financial difficulties were caused by the property bubble and by the reckless lending of the banks. We also know that some of the policy decisions made in the past were not ones that should be repeated.

On the question of homelessness, something that is close to my heart, my commitment and that of this Government is to reduce the number of people who are homeless. That remains a priority despite the very severe financial difficulties. It is a strong feature of budget 2011 with an overall allocation of €53.4 million and while the overall housing provision has had to be significantly reduced over successive budgets, provision to tackle homelessness shows only a small reduction in 2011 and is down by €2.6 million. This will not affect the front line services because we are ensuring, through rationalisation, that we will provide a quality service. This is something that I know my colleague, the Minister of State, Deputy Finneran, is keen to pursue. I am proud of the sustained funding for anti-homelessness initiatives of €56 million in 2010 and €56 million in 2009, and in 2008 the funding level was €53.2 million. These were all years in which funding for most projects were radically cut.

On the other side of the equation, I am pleased about the inclusion of many of the tax reform measures recommended by the Commission on Taxation, which was set up at our insistence. Working families will consider anxiously today the tax changes. There is no disguising that they contain income losses for people already struggling to make ends meet, but independent observers, including the ESRI, have already commented that we have done a great deal in the past three and a half years to shift the taxation burden to higher earners. Some 25 tax reliefs, which have cost taxpayers millions in lost revenue each year, will be brought to an end.

Deputy Joan Burton: In 2014.

Deputy John Gormley: Others already earmarked to be ended will be phased out more quickly. We welcome moves to reform tax on private pensions, particularly a decision to tax high lump sum pay-offs. The pension changes for higher civil servants and for those in public life are significant. They help to reduce unacceptably high costs.

I will comment on our international obligations because I do not believe it has been mentioned by any of the previous speakers. Even in these straitened times we cannot forget our continued obligations to the poorest of the world's poor. Our overseas development aid spending in 2011 will be €668.2 million.

Deputy Joan Burton: That is a cut of €35 million.

Deputy John Gormley: That is a minimal cut on the 2010 allocation——

Deputy Joan Burton: It is a cut of €35 million

Deputy John Gormley: —and this is a source of some pride to the Green Party in government.

Deputy Joan Burton: A source of pride? A cut of €35 million is source of pride?

Deputy John Gormley: Yes. We hope this reduction can be made up from administrative savings and other cost saving measures. Even this afternoon I will introduce a Supplementary Estimate for fast-track financing for climate change adaption, something to which we gave a commitment just over a year ago. That will be an extra €30 million in total and that is not included in this figure.

Even in these current difficulties our overseas development aid spending in 2011 will stay on target at 0.52% of GNP, ahead of the EU stepped target of 0.51% for 2011. For the coming year Irish aid is in line with our longer-term EU and international target of 0.7% GNP in aid by 2015. This is still well ahead of most OECD countries. We have exceeded the EU target of 0.51% in 2011. It will be up to the next Government to ensure that we hit the target of 0.7% in 2015.

Since entering government in June 2007 the Green Party has fought hard to defend overseas aid spending. Despite mounting domestic financial problems, we have ensured that proportionately we stayed broadly the same. It means Ireland is still on line to meet its overall targets. In reality, we are slower than had been hoped in meeting our ambitious targets, but it is a good record of defending the world's poorest people. This must continue. It will be interesting to see if this item of spending is defended in the same way in future Governments because, as we know—

Deputy Kathleen Lynch: The Minister will have plenty of time to observe that.

Deputy John Gormley: We should be honest in admitting that there are no votes in this respect and where there are no votes, people will say that we can afford to cut expenditure in that area. That would be the wrong attitude because politics has to be underpinned by a set of principles and values and defending the world's poorest is something that needs to be maintained going into the term of the next Government.

On my Department's Estimates, reflecting the extremely difficult position in the public finances, and in common with other Departments, budget 2011 sees a reduction in the financial resources available to my Department — down from €2.2 billion in 2010 to €1.6 billion in 2011. In response to the new financial situation since 2008, the Department has in its programmes developed and maintained a strategic focus on contributing to economic recovery, assisting those in need of support and protecting and enhancing the environmental resource base on which economic progress ultimately depends. This strategic focus will continue in 2011, using the significant resources that are still being made available.

The budget provides for Department current spending of €599 million in 2011 compared to €686 million in 2010. The reductions in the 2011 Vote on the current side mainly affect Exchequer support for the local government fund and savings in the environmental and built and natural heritage areas. Certain areas of Vote spend will be substituted by expenditure from the ring-fenced environment fund, which will amount to €101 million in 2011. The budget provides for Department capital spending of €1.002 billion in 2011.

While there is a significant reduction in overall terms, the main effect will be to extend the timescale for full implementation of programmes, while taking account of refocused priorities in the current economic context and getting greater value for money, through more competitive

tendering and greater efficiency, from the €1 billion which will still be invested in Department capital programmes in 2011.

Turning to water services, there has been a radical transformation in water services infrastructure in Ireland in recent years. More than €5 billion has been provided by the Exchequer for water investment in the period 2000 to 2010. This has enabled some 476 major projects to be completed in the period 2000 to 2009, resulting in an increase in water treatment capacity equivalent to the needs of a population of 1.1 million and an increase wastewater treatment capacity equivalent to the needs of a population of 3.7 million.

Compliance with EU urban waste water treatment directives on secondary waste water treatment facilities now stands at some 92%, whereas at the beginning of the decade the figure was approximately 25%. The provision of €435 million in my Department's 2011 Estimate to fund the provision of water services infrastructure must be seen against this backdrop and the much more competitive tendering environment in the past two years, which has led to significant reductions in the tender prices for water and waste water schemes. This level of investment in these difficult times is a clear statement of the priority which the Government is giving to preserving and protecting our water resources, meeting EU standards for drinking water and waste water treatment and providing critical infrastructure that will ensure ongoing support for economic development.

Investment in water services must strive to ensure that it meets demand in critical locations for industrial and commercial development in order to facilitate economic recovery. That is why my Department carried out a root and branch review of the water services programme in 2009. A new carefully targeted programme covering the period 2010 to 2012 was published in April this year and I am confident that the contracts included in the programme are well aligned with economic and environmental objectives.

There are currently 120 major water services capital contracts in progress and these will continue to be funded up to 2011. New work in 2011 will be targeted on key projects in the programme required to meet the strategic needs of gateways and hubs, critical mains rehabilitation, improving drinking water supplies with identified risks and upgrading of waste water infrastructure required as a result of European Court of Justice cases and the measures required under the Water Framework Directive.

My Department's rural water programme continues to make very good progress in bringing rural water supplies, particularly in the group water scheme sector, up to standard. In recent years, we have been concentrating on carrying out improvements to group water supply schemes which were identified as in need of improvement following the European Commission case against Ireland on non-compliance with drinking water standards. Thanks to the substantial progress made on these works the Commission closed the case last March. The main priorities under the programme in 2011 will be providing the funding necessary to complete any remaining works; continued special funding to allow for remedial works to public water supplies identified by the Environmental Protection Agency as having potential issues regarding the safety and security of the supplies; and the improvement of small public water and sewerage schemes.

As the House is aware, the Government has decided that domestic water charges for households connected to public water supplies will be introduced in the next few years, preceded by the roll-out of a programme of metering. As indicated in the National Recovery Plan 2011-2014, the metering programme will be funded by the National Pensions Reserve Fund. The installation of water meters in households will strengthen the capacity of local authorities to manage their water distribution networks; it will also provide an incentive for consumers to

[Deputy John Gormley.]

reduce their consumption of water and should, as a consequence, reduce both the operational and capital costs for local authorities.

In addition, metering will provide an opportunity to address customer-side leakage, leading to both improvements in the networks and further cost savings. The move to universal water metering will lead to a transformation in the way people use water, improve value for money and lead to a customer service focus in the provision and management of these services. It will also significantly change how these vital services will be funded in the future. The labour-intensive metering programme itself will have the key advantage of providing badly needed jobs in the construction sector.

Turning to housing, my Department's capital resources are being scaled back for 2011. The year will see continued restructuring of the social housing investment programme towards greater levels of delivery under the rental accommodation scheme and leasing, and with a lesser need for capital finance. While this shift in emphasis is being accelerated by the current economic and financial climate, it is a change that my Department has been developing for some time on the basis that it is right to work towards a system of graduated and flexible housing supports to meet the varying needs that exist at the different stages of the life-cycle. We are maintaining in 2011 a continued strong commitment to economic, social and physical regeneration of the country's most disadvantaged communities through the provision of €172 million towards major regeneration projects and remedial works, including Limerick regeneration and the Ballymun work.

In Limerick, for example, this will allow significant progress be made following the approval by Government in June this year of the phase 1 implementation plan. The planning and design stages for a number of new housing developments are being fast-tracked to have construction commencing as early as possible in 2011. Given that some 500 houses have been demolished or boarded up at this stage, there will be a strong emphasis on building replacement units in the early stages of phase 1. In addition, 2011 will see the provision of €32 million in dedicated funding to support labour-intensive efficiency improvements of the public housing stock through the retro-fitting programme. In addition to the main capital programmes, we are also making a provision of some €47 million in respect of the smaller capital programmes in the fire, heritage, libraries and other areas.

As the House is aware — we considered it in a debate last week — we have witnessed very severe weather in many parts of the country recently. Local authority staff have been working around the clock with other State bodies and transport agencies to minimise disruption and to ensure society functions as close to normality as possible. I again thank all involved for their exceptional efforts and the spirit of public service that they have so clearly shown.

In recognition of the severity of the issue, I am pleased that I have been able to make available an additional €15 million in contingency funding for those local authorities most in need of supplementary funding. This is aimed at covering exceptional costs for them associated with the extreme weather experienced.

Looking ahead, all parts of the public service must operate within the very difficult financial realities we face. The local government sector must continue to play its part by curtailing and reprioritising expenditure in common with the approach of central government. While I will continue to support local authorities next year through significant general purpose grants from the local government fund towards the cost of providing their day to day services, it must be recognised that the financial pressures we face in central government will impact on the grant allocations that I will be in a position to make to individual authorities.

The Government must make savings in its expenditure programmes and the Exchequer contribution to the fund is not immune. Exchequer support for the fund is set at €164 million in 2011, in addition to income from motor tax of €950 million. In addition to the water charges that I mentioned earlier, the National Recovery Plan 2011-14 provides for a new site value tax. A flat rate “household charge” will be introduced in 2012 as an interim measure. It will be followed in 2013 by a final site value tax, which will be introduced when valuations have been completed.

The new tax will offer a more stable, sustainable and reliable source of local government finance. The initial estimated yield from the household charge is €180 million in 2012; this will rise to €530 million on full introduction of the site value tax, or an average of just over €200 per dwelling or site. Whereas the measure will involve additional costs for consumers, it will also widen the financing base for local government, which provides essential services in the community.

Although the 2011 local government fund Exchequer contribution is down, it will be supplemented by the pension-related deduction that was introduced in 2009. Local authorities continue to retain the full proceeds of the deduction, which are estimated at approximately €80 million in 2011. Revenue from the charge on non-principal private residences will provide additional income to local authorities in 2011 of over €60 million.

I have not listed many of the areas in the Department of my colleague, the Minister for Communications, Energy and Natural Resources, Deputy Eamon Ryan. Great strides have been made in investment in renewables and retro-fitting programmes, and the Minister has repeatedly stated that these produce jobs for those in the construction sector while reducing significantly our carbon footprint. I have had the opportunity to listen to the contributions of Deputies Kenny, Gilmore and Howlin, who made reference this morning to climate change legislation. I am pleased to tell him this will be published shortly.

I had an opportunity to reflect on the contributions made this morning. As I stated, the analyses of the budget, including those of commentators, are undoubtedly correct in many instances. This is a difficult budget. The question members of the Opposition must answer is exactly what cuts they would reverse if they were in government. In all likelihood, the Fine Gael Party and Labour Party will have overwhelming numbers to form a Government shortly. I listened to contributions of Opposition Deputies and did not hear what measures they would reverse. Would the Opposition reverse the reduction in the minimum wage? I do not believe it would do so. Deputy Joe Carey appears to be indicating it would but I doubt it.

The Opposition parties know from the meetings they had with the European Commission, International Monetary Fund and others that this eventuality is extremely unlikely. Let us have a little honesty. The Opposition should inform people which of the draconian cuts, as it described them, it would reverse. I do not believe it would reverse any of them.

We heard about heavy lifting. The heavy lifting has been done. It is unprecedented in Irish economic history to remove €14 billion from the economy, followed by a further €6 billion. To lift a heavy object, two people need to work in unison. I fear the Fine Gael Party will go in one direction——

Deputy Joe Carey: Are the Green Party and Fianna Fáil Party working in unison?

Deputy Dick Roche: At the moment, yes.

Deputy Joe Carey: For how long will that continue?

Deputy John Gormley: Having listened to Deputy Howlin, I regret there are no Deputies from the Labour Party present.

Deputy Joe Carey: The Minister should do the decent thing and hang up his boots.

Deputy John Gormley: Deputy Howlin stated that despite the considerable constraints which will face a new Government, it will make different and better decisions. While it is only right that a political party would implement its policies, I return to my earlier question as to which of the cuts in the budget it will reverse. I suspect it would reverse few of them. This is the type of honest debate we need in this Chamber and elsewhere in the coming weeks.

The circumstances in which the Government drafted the budget were far from ideal. However, by combining the making of the necessary decisions with the introduction of a number of targeted initiatives, we have given cohesion to the budget. This will allow us to build on our considerable economic strengths and aid a faster and stronger recovery.

We hear a great deal about the need for confidence. There is confidence. People want hope and there are signs that we can make the transition. While it will be difficult to do so, this can only be achieved if we continue to make difficult choices. If we do so, the country will have a good future.

Deputy Caoimhghín Ó Caoláin: This is a disastrous budget. It is an anti-people, anti-democratic budget, which is clearly the product of a sell-out of Irish sovereignty to the International Monetary Fund and European Central Bank. It is an effort by a totally discredited Government with no mandate and in its dying days to impose a Thatcherite economic strategy on the people. The result of this cruel strategy will be to heap even more poverty, unemployment and social misery on our people. It is an attack on the mass of people who are on low to middle incomes, with those most vulnerable to be injured most. The wealthy are to escape yet again. All of this has been done to bail out bank bondholders and do the bidding of the European Central Bank, European Commission and International Monetary Fund.

The basis of the budget, IMF-EU deal and four year plan is the belief that taking €15 billion out of the economy between now and 2015 will bring us out of recession. By the Taoiseach's own admission, €15 billion has been taken out of the economy since 2008. With what result? If there is growth in the economy, as the Minister for Finance, Deputy Brian Lenihan, claimed in his Budget Statement, the budget will stem it and suck the oxygen out of the economy.

The recession is not over but continuing and deepening. For month after month, we have consistently had more than 400,000 people unemployed. There was nothing in the budget to sustain existing jobs, not to speak of creating new jobs, because the Government does not have an employment strategy. In desperation it tries to portray any marginal reduction in the live register figures as a sign of recovery when such reductions reflect the growing numbers of young people taking the option of leaving the country for opportunities overseas.

In his Budget Statement last December, the Minister for Finance stated we were on the road to economic recovery. "The worst is over", he declared, adding that "we are turning the corner". In his speech introducing the 2011 budget, the Minister spoke of "clear signs of hope" and "returning to growth after a deep and prolonged recession". His words are even less credible this year than they were in December 2009.

In his budget speech the Minister served up a large dollop of historical revisionism. With a straight face, he stated that the €19 billion budget deficit was created because the Government, during the boom, was "seeking, with the full support of those opposite, to spread the benefits of the boom across every section of the population". The reality was that the Government refused to spread the benefits of the boom across society and refused to share the wealth. Sinn

Féin stood alone among the parties in this House in arguing against any reduction in tax levels or bands in a succession of general elections, including in 2007.

The Minister stated, “households and businesses continue to work off the excesses of the boom”. This is to suggest that every household grew fat during the boom or, as the Minister stated last week, we all “partied”. That is a parody of the truth and an insult to thousands of households which are struggling to make ends meet and survive week on week, even before yesterday’s budgetary measures take effect.

Last year, I described as reminiscent of Margaret Thatcher the Minister’s argument that the social welfare system can trap people in joblessness. The only thing trapping people in joblessness is this Government, which has wrecked the economy and failed to present a strategy to create real jobs and sustain existing employment. At that time, I also warned that, after the attacks on people on social welfare and low income in budget 2010, the minimum wage would be next in line. That is precisely what occurred 12 months later. My prediction came to pass in this budget, which launched a further all out attack on people dependent on social welfare, with the slashing of the minimum wage scheduled to follow in March.

The result of this cruel budget will be poverty, unemployment and social misery. The cuts to social welfare are savage — there is no other way to describe them. They are absolutely savage and it is people on social welfare who will bear the brunt of this budget. The Minister, Deputy Lenihan, tried to justify these cuts by claiming there was low inflation. That was a pathetic effort to defend the indefensible. The very budget that cuts social welfare also raises a whole range of costs that will be borne by people on social welfare and other low to middle income families. According to the consumer price index, prices rose by 2% in 2010.

The real effect is that the basic social welfare rate is being cut by €416 per annum. A couple dependent on social welfare will be down €691 per annum. When child benefit cuts are added an unemployed family with three children will be down over €1,000 in actual cash available to meet the family’s needs each year. Most social welfare recipients will have €8 per week, or €416 per year, taken out of their pockets by this budget. Jobseeker’s allowance has been reduced by €8 to €188 per week for those aged over 25. For people between 22 and 25 years of age the rate drops by €6 per week to €144. In a budget with no jobs strategy the Government’s message to the unemployed, especially the young unemployed, is very clear — subsist on less or emigrate. That is the message this Government is delivering to the young people of Ireland today.

In budget 2010 the Government’s cruellest cut was to carers. People on carer’s allowance lost €8.50 per week and those on carer’s benefit lost €8.20. It is reckoned that more than 160,000 family carers provide over 3.7 million hours of care each week. On top of the heartless cuts in 2010 budget 2011 now takes another €8 per week from the carer’s allowance and carer’s benefit, or a weekly cut of €16.50 and €16.20, respectively, in the space of just over a year. It is an absolute disgrace. This budget cannot be taken in isolation from the series of austerity budgets introduced by this Government during a period of almost three years

The weekly €8 cut slashes the invalidity pension, one-parent family payment, disability allowance, widows’ and widowers’ pensions, disability pension and the blind pension. As Inclusion Ireland has pointed out, these cuts are completely at variance with the national disability strategy which is often cited by Government as evidence of its commitment to people with disabilities. This is an anti-children budget and undoubtedly will increase child poverty. The €10 reduction to child benefit for the first and second child, €20 for the third and another €10 for the fourth child will penalise poorer families most. That is obvious and is also shameless.

As the European anti-poverty network has pointed out, statistics for 2009 released last week by the Central Statistics Office show that levels of consistent poverty in this State rose from 4.2% in 2008 to 5.5%, while the numbers unable to afford basic requirements went up by 25%

[Deputy Caoimhghín Ó Caoláin.]

. These figures reflect a situation even before the impact of the budget cuts of last year, let alone of the budget introduced yesterday, are taken into account. Let us make no mistake — the situation is very serious and the poverty trap is deepening.

Cutting social welfare should be the last thing a Government does in a time of economic difficulty. Cutting social welfare payments will have a detrimental effect on the economy and society because those payments are always returned to the economy. They are not salted away in savings or invested overseas but are spent on rent, mortgages, food, utilities and all the other essentials people need in life's daily requirements. Cutting welfare is a false economy, the only tangible result of which is misery for those on the receiving end. If less money is spent, the economy will contract, businesses will struggle and more jobs will be lost. More people will be reliant on social welfare. Local economies will suffer especially badly and communities struggling out of poverty and marginalisation will be pushed back.

Last month a survey conducted by Sinn Féin with 278 social welfare recipients demonstrated that families on welfare simply cannot afford to take this hit. On the current welfare rates almost 90% of those surveyed will go without something essential this Christmas, be that food, home heating fuel or Christmas presents. Respondents also confirmed that more than half of welfare recipients may borrow money to see themselves through Christmas. Ultimately, the only stimulus in this budget is for loan sharks and money lenders.

I stated that this is an anti-children budget and this is carried through into the cuts to education. Education has taken a disproportionate hit. I am glad that the leader of the Green Party, the Minister for the Environment, Heritage and Local Government, Deputy Gormley, is present. In times of recession education could and should be used as a tool for economic recovery. It should be the gateway to growth and revival. Of course, the Government's approach is the exact opposite. Instead of investing in and growing the education sector this Government has reduced education spending year after year. It seems intent on making education a preserve of the rich. Gone are the days of free education, in are the days of underfunded schools and exorbitant fees. There is an overall reduction of 21% in capital expenditure for education in the coming year; 9% for primary schools and a whopping 20% for secondary schools. This is inexcusable and makes a laughing stock of the Government's claim to be building a knowledge economy. Children will continue to go to school in prefabs rented from private concerns at exorbitant long-term costs. Classes will be unable to cope with more children and less room. A Government with a sound education strategy and a job creation strategy would have invested in school buildings, creating much-needed employment in the construction sector and providing long-term upgrading of our educational infrastructure. The 5% cut in capitation funding for primary schools will penalise all schools but especially the most disadvantaged which depend more on Government funding. Schools are already struggling with high class sizes and limited resources. Children and families in rural Ireland will be worst affected by the new €50 primary school transport charge. Add to that the €50 increase in the secondary school transport fee to €350 per child per year and the impact on families with children is very substantial. In addition, rural farming families have been hit again with the €36 million reduction in the REP scheme.

No-one can accuse the Government of lacking imagination or innovation in this budget. It has come up with another innovative barrier to education. Which member of Government was responsible for authoring a new €200 per annum fee for post leaving certificate courses? This anti-education Government has increased third-level registration fees by €500 to €2000 and has reduced student grants. It has cut grants to secondary schools by 9% and taken 3% from the vocational education sector. A cruel Government has again cut support for children with special educational needs. Sixty per cent is to be cut from educational disadvantage funding.

Deputy Aengus Ó Snodaigh: Shame.

Deputy Caoimhghín Ó Caoláin: That is absolutely deplorable. All in all this is a shameful showing. I am delighted the Minister, Deputy Gormley, is present because the Green Party has presented itself as the saviour of the education sector. Time after time, it has said its defence of the education sector was a major part of its whole contribution to the formulation of this budget. If that is the case, what can I say about the Green Party's input into the formulation of this budget which, at the end of the day, is an attack on the education sector?

Public services are being demolished by this budget. Health cuts of €765 million in current spending in 2011 will result in bad outcomes and even the deaths of patients across the system. Over 1,500 beds in our public hospitals have already closed due to cuts and the further cuts in this budget will close hundreds, if not thousands, more beds — make no mistake. The Minister for Health and Children, Deputy Mary Harney, and the HSE have slashed services in local hospitals such as Monaghan, Dundalk, Navan, Nenagh, Letterkenny, Ennis and Sligo, and other hospitals are in their sights such as Clonmel, Roscommon and others. The budget will undoubtedly see more hospital services slashed, hospitals closed and patients facing long journeys to attend centralised and over-worked hospitals.

The recruitment ban in the health services means that trained health professionals are being educated here at great cost and to the highest standard but they cannot offer their talents to our hard-pressed public health services. The budget will give thousands more young nurses and doctors a one way ticket out of this country at huge cost and huge loss to our health services and economy. The €920 million cut from social protection, the €765 million cut from health and the €170 million cut from education combined come to 85% of the entire €2.2 billion cuts across all Departments.

We have heard Ministers quite rightly praising local authority workers and the emergency services for their excellent work during the recent harsh weather. I join with that praise in offering my thanks and that of my community not only in terms of my constituency, but those I know the length and breadth of the country, to those who are at the coal face, dealing with these difficulties. However, how many of those workers will still be in their jobs and how many of those services will be lost next winter with the budget's cut of 28% in funding for local authorities? Communities will be hit badly by that cut, as they will with the cut of 44% from the RAPID scheme, 15% from regeneration projects, a whopping 63% from the drugs task forces and €9 million from community development projects. It is some list — a litany of shame. There is a massive 36% cut to social housing. It is a recipe for community denigration and degeneration, not regeneration.

The Government has attempted to portray the tax changes in this budget as reforming and progressive. They are nothing of the sort. There is no wealth tax. There is no new higher rate for those with individual incomes of over €100,000 per annum. In Sinn Féin's economic recovery plan, "There is a Better Way", which is costed by the Department of Finance, we show that such a new top rate of 48% would raise €410 million, well in excess of the €397 million the Government is slashing from social welfare for people of working age in this budget. There were choices and choices were made — made by Fianna Fáil and the Greens. They have made the damn worst choices of all.

Instead, this budget brings more people on low income into the tax net and more people on middle income into the higher tax rate, as well as creating new inequities. The new universal social charge may prove more regressive than the current income and health levies. At present, a person earning €25,000 pays nothing on the health levy and €500 on the income levy. Under the new system in this budget, the same person earning €25,000 will pay €1,069 in the universal social charge. Those are the facts. A single person with no children, a PAYE employee in the

[Deputy Caoimhghín Ó Caoláin.]

private sector and a PRSI contributor, with a gross income of €25,000, will see a reduction in net income of 4.6%, while an individual in the same circumstances with a gross income of €175,000 will see a reduction in net income of only 3.9%. How can that be explained as equitable?

The tax increases are across the board — they fail to target those who have the ability to pay. This is a big mistake, and one that will be damaging for the economy and consumer spending. The minimum wage drops by 12% but the Taoiseach's salary drops by less than 6% — think about it. The Taoiseach will earn 13.8 times the salary of someone on the new minimum wage. I welcome the reduction in the Taoiseach's and Ministers' salaries and the €250,000 per annum cap on public sector pay, but it is too little, too late. If the Government had capped the salaries of public servants at €100,000, as we in Sinn Féin had argued, this would have saved €350 million for the State per year — nearly half of what is being cut out of the health budget alone.

The CEO of the HSE earns in excess of €300,000 a year. The heads of our semi-States earn more again. Pdraig MacManus of the ESB is on over €700,000 per year. Even with the pay cut taken by the Taoiseach, Deputy Brian Cowen still earns €36,000 more than David Cameron, the Secretary General of the Department of Finance still earns more than the Permanent Secretary of the British Treasury and the CEO of An Post still earns more than the managing director of the Royal Mail. So much for those comparisons. It is interesting that it is such comparisons between the two islands that the Government relies on when it is talking about social welfare payments, but let us look at this at all the levels.

The Government will defend international bank bondholders but it will not defend its own citizens. This budget will not fix the economy. It will cause poverty and hardship and it will contract the economy further. Not one cent in tax raised in this budget nor one cent cut from public spending will be used to reduce the deficit next year. It will all go to servicing the debt incurred by the Government's disastrous banking policy. The Taoiseach yesterday tried to claim that the deficit was totally separate from the banking black hole. It was a statement without a shard of credibility.

The charade continues that we must take these harsh measures because, after years of excess, we have a burgeoning deficit. We are actually being foisted with these measures because our banks and their investors took a massive gamble and they lost. This has to be emphasised time and again — they lost. Why are we, the people, then having to bail them out? The budget is, of course, the opening salvo of a four year plan which is destined to fail because it is premised on policies of slash and burn which have already failed spectacularly. If spending cuts worked, the deficit would already be reduced. The Government talks of stimulus but it does not provide the funding for it, so its growth predictions are wildly optimistic. In addition, this four year plan ignores the growing threat to the State's very financial existence from the Government's bank policy. This policy assumes we can and should protect banks and their investors. It assumes there will be no more loan defaults on the banks' books. It is a policy that is clearly bankrupting this State and its citizens.

There is no real stimulus in this budget. Some €200 million in so-called activation measures were announced but the Government slashed the capital budget which would have created jobs. The so-called activation measures are about getting people off the dole into low-paying or, indeed, no-paying jobs. Unemployment stands at over 13% and we are facing mass emigration. The depths of misery behind these statistics cannot be exaggerated. The State is now a major owner of property — hotels, office blocks and ghost housing estates throughout the country — yet there is no statement as to how economic value might be obtained from these assets. The austerity measures in this budget, which are legion and which include the increase

in VAT, taxes for those on low and middle incomes, the cuts in welfare and the planned cuts to the minimum wage, will further depress the economy and cause more jobs to be lost. Can the Government not grasp that simple fact?

Cuts to the local government budget will force cash-strapped local authorities to raise rates for businesses and service charges, hitting the public with a double whammy. This has yet to present itself. Let us be clear that there can be no recovery if jobs are not created. They must be created if we are to reduce the social welfare bill, increase the tax take, restore people's standard of living and quality of life, and grow this economy. Those are the facts of the matter.

Sinn Féin has proposed a once-off transfer of €7 billion from the National Pensions Reserve Fund for a jobs stimulus. This is equal to the investment at the beginning of this year by the State in Allied Irish Banks and Bank of Ireland. Instead of having such a stimulus, the Government, in agreement with the IMF and the European Union, is proposing to take billions of euro from the same fund to put into the black hole that is the banking system. With the right policies and supports, jobs can be created in sectors such as the agri-food, tourism, IT and green technology sectors. We can have a new generation of entrepreneurs and revitalise the co-operatives sector.

The Government can always find additional billions for the banks but it says it cannot find money for recovery. We have shown where it can be found. This is outlined in our document. We do not claim to have a monopoly in regard to all the measures that could be taken but we have demonstrated definitely what is possible. This has been acknowledged by a variety of voices, throughout the country and internationally, who have had no truck with Sinn Féin historically.

There is no detail in the budget on the Government's plans for State assets, but we all know what is coming. The decision to sell off State assets to fund the growing bank debt is a crime. This is a classic example of the short-sighted policies that we have come to expect from the Government. In the good times, the Government sold off companies such as Eircom. Look where that got us. It resulted in a decade of poor and often non-existent broadband provision, certainly in my constituency.

State companies should be kept in State ownership. We could even ask the more profitable of these companies to front-load some of their dividends to us for the next few years to help improve the public finances. In every country where the IMF has interfered, the *modus operandi* has been to strip it of its assets and privatise them. The IMF is not facing much opposition from the so-called leaders of the two main Opposition parties. Fine Gael has even provided it with a blueprint in its so-called NewERA plan. Sinn Féin will resist the selling off of State assets to fund a private banking crisis and it will be calling on all those progressive forces who also oppose this policy to support it.

One issue that has seldom been mentioned in our current crisis is the massive asset lying off our west coast and currently being exploited with no benefit to the Irish people. I refer to the oil and gas reserves, which by right belong to the Irish people and which are estimated to be worth in excess of €500 billion. These were disgracefully given away to multinational corporations by corrupt Irish Governments. It is time they were reclaimed.

Náire ar an Aire. Beidh na mílte Éireannaigh, fir agus mná, ag fulaingt mar thoradh ar an bhuiséad seo. Tá slí níos fearr ann. Chuir Sinn Féin an plean sin os comhair an Rialtais ach níor éist sé. Mholamar cáin ar shaibhreas, teorainn ar ioncaim ag na ndaoine siúd ag an leibhéal is airde sa tseirbhís phoiblí, deireadh le scannal na dtuarastal ró-ard agus na gcostas ag príomhfheidhmeannaigh na gcomhlachtaí Stáit. Níor éist an Rialtas. In ionad chothrom na Féinne sa bhuiséad seo, tá an Rialtas ag cosaint na ndaoine atá ar barr arís agus ag déanamh ionsaí ar na ndaoine atá ar bun.

[Deputy Caoimhghín Ó Caoláin.]

Cé bheidh ag íoc as an pholasaí tubaisteach chun bancanna teipthe agus an uasal-aicme a chosaint? Na daoine a bheidh thíos leis ná teaghlaigh óga, sean-daoine, na glúine daoine óga nach mbeidh an dara rogha acu ach imeacht as an tír seo. Na banaltraí, na muinteoírí, na hoibríthe sna húdaráis áitiúla, na comhraiceoirí dóiteáin — beidh siadsan thíos leis chomh maith. Mar an gcéanna, na daoine atá ag braith ar leas sóisialta, na tuismitheoirí aonair, na daoine míchumasaithe agus na daoine atá tinn.

Tá scrois déanta ag an Rialtas sa bhuiséad seo agus is cuma leis cén toradh a bheidh ann do na gnáthdaoine atá ag obair agus dóibh siúd nach bhfuil postanna acu.

Níl ciall na réasún leis an bhuiséad seo. Tá an tAire ag déanamh ciorraithe ar ioncaim na ndaoine a chaitheann an t-ioncam sin sa gheilleagar áitiúil, ag tacú le gnóthaí agus ag cruthú fostaíochta.

Níl iarracht sa bhuiséad seo chun postanna a chruthú. Má cheapann duine gur féidir linn teacht as an mheathlú seo trí chiorraithe a chur i bhfeidhm agus gan stráitéis chun postanna a chruthú tá an tAire as a mheabhair. Cuireadh ciorraithe i bhfeidhm i 2007 agus tá an meathlú níos measa anois agus tá ard-cheannas eacnamaíochta an Stáit seo díolta ag an Rialtas don IMF agus don ECB. Má tá an toil ann, is féidir postanna a chruthú. Tá sé léirithe ag Sinn Féin conas is féidir é sin a dhéanamh, ach is léir nach bhfuil an toil ag an Rialtas seo.

The Government has consistently been offered opportunities to lift this State out of crisis. Instead of taking them, Fianna Fáil and the Green Party have pushed us further into crisis. Even the most right-wing commentators in this State and internationally are questioning their slavish desire to appease the bank bondholders. The *Financial Times*— God bless the mark, to have to quote it of all vehicles — has questioned why the Government is so willing to sacrifice the Irish taxpayer to protect bondholders who knew exactly the sort of risk they were taking when they bought bonds in our banks. They contributed to and benefited from the bubble. Therefore, they should equally be able to accept the consequences of the bust and be responsible for them.

This banking policy is madness and the domestic finance policies pursued in this budget will ensure the economy collapses completely. We will not have a cent to deal with any of the costs the State is incurring, let alone the money to run the State. The Government, which has no mandate and which we challenged on this matter 12 months ago, knows this. That is why it has run to the IMF and European Union to negotiate one of the worst deals ever done by any Government internationally. This deal allows for a certain percentage for the banks. The rest is for all the future deficits the Government's policies will create. What a legacy the Government is leaving us. Leave us it must.

People will suffer grievously as a result of this budget; that much is clear. What is not clear is the reason the Government insisted on introducing this budget before giving up and calling a general election. It should have spared us all this spectacle and should have recognised that it has no right and mandate to do what it is doing. It is acting in contempt of the electorate and it is clear that the latter has nothing but contempt for it in return.

We can only hope that the Government will be out of office very soon. It is imperative for whoever forms the next Government, and those who sit in opposition, to ensure this deal is abandoned, to devise a banking plan that will actually work, to reverse these ideological and irrational cuts and to introduce a strategy for real growth.

I am appealing to all the voters listening to proceedings here today to base the decision on how they cast their vote on what they have heard and, more important in some cases, on what they have not heard. Sinn Féin has been honest in our proposals. We are not appealing to

people's greed but their sense of what is right and fair. We cannot offer everybody something. What we can offer is honesty. We can offer them economic proposals that make sense and will fix this crisis. We can offer them a new and fairer society, and that is where we need to be arising out of all of this debacle.

In the past few weeks we have seen thousands of people brave the weather to come out and voice their opposition to this budget. I applaud those who gathered outside the gates of this institution last evening. Well done to each and every one of them. In Donegal South West, the people gave their verdict on this Government by endorsing Sinn Féin and our alternative proposals. They also rejected the so-called opposition of Fine Gael and Labour and their consensus for cuts.

The one thing we can take from this budget today is that it will hopefully act as a long overdue wake-up call to the Irish people who have had about as much as they can take. People power should never be underestimated, and it is people power that will eventually oust this Government. We are calling on every party seeking to enter government in the next Dáil to commit to reversing the decisions made in this budget. They should spell out exactly what they intend to do.

When the Irish people kick this shower out of office because of this budget and their litany of economic disasters over which they have presided or breathed oxygen into, let the people be very clear about who they are supporting in their place. No party entering power after the next election can claim a mandate to implement these cuts. Sinn Féin is committed to reversing these cuts and getting the IMF the hell out of this State.

We call on Fine Gael and Labour to commit to reversing these budget cuts and rejecting the IMF-EU sell-out deal. I appeal especially to the Labour Party to halt before rushing headlong into a coalition with Fine Gael. It is clear that the Fine Gael Party wants this savage budget passed so that it does not have to pass it itself early in the new year. Perhaps some in the Labour Party share that view but I believe that most do not. The coming general election may well be the greatest opportunity for the left in Irish politics in a generation, or it may be another case of Labour propping up Fine Gael yet again.

For our part, we in Sinn Féin are quite clear. We have rejected the consensus for cuts. We have put forward a fairer, better way to deal with the economic challenges we currently face. We are committed to producing a new banking strategy that puts bank debts back in the hands of the banks, not on the Irish taxpayers' shoulders. We are committed to protect the economically vulnerable and to require those who can afford it to contribute more.

This budget is still not a done deal. The four year plan is not a done deal, and the IMF-EU sell-out is not completed either. If there is anyone with a shred of conscience left among those who have hitherto supported this Fianna Fáil-Green Party Government, now is the time for them to act in the true national interest, a much abused term on the floor of this House in the recent past. Let those who speak of the national interest reject this Bill, reject this budget and reject this Government.

An Leas-Cheann Comhairle: In accordance with the order of the Dáil of this day the session stands suspended for 60 minutes.

Sitting suspended at 1.55 p.m. and resumed at 2.55 p.m.

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): I met an official who works with me this morning, Mr. Eoin Sweeney of the Marine Institute. He was saying that he was over in Europe last week where they were offering him condolences on the conditions in Ireland, and he came back with an optimistic line. He said to them that we

[Deputy Eamon Ryan.]

are undoubtedly going through a very hard winter but what we know from experience, and what there is a sense of in this country,——

An Ceann Comhairle: I am sorry, Minister.

Deputy Eamon Ryan: I wish to share with the Minister for Foreign Affairs, Deputy Martin.

An Ceann Comhairle: Is the Minister of State, Deputy Finneran, in the slot as well?

Deputy Eamon Ryan: And the Minister of State, Deputy Finneran.

An Ceann Comhairle: Ten minutes each, in any event.

Deputy Eamon Ryan: Ten minutes each.

I was quoting a colleague, Mr. Sweeney, who was using the metaphor that we are in a very hard winter but the sense in this country is sometimes one can get a good summer and the land will recover, that we have real capabilities in this country that will thrive after we get over some of the mistakes, some of the dead wood of the past that we must remove.

We are starting to see some of that dead wood removed in this budget for we have had, as the Minister for Finance stated, a taxation system that was not fit for purpose in a range of different ways. First, as stated by the Commission on Taxation, which we appointed and which has done its good work, it was too narrowly focussed on property taxation, short-term transactions and income taxes, and within the income tax system, too narrowly based in terms of who is paying. There was a large section that was not included within that. As difficult as it is to broaden the tax base, it is, as the Commission on Taxation and others have stated, the right thing to have done.

It would also be right for us to do what the Commission on Taxation recommends, to avail of this opportunity to broaden the tax base into other areas, including more stable forms of property taxation that will not get us back into a bubble and bust territory. That also is something towards which we are moving in this budget. The change in the stamp duty arrangements which was recommended by the commission — it recommended a zero rate but to reduce it to 1% is close — is a step in the direction. It is to be followed in subsequent years with other measures and this will lead to a more sustainable property tax system, which we urgently need and which was one of the main reasons we got into such difficulties. That is something I welcome, particularly for those who are caught in difficult mortgage situations today. It, among the other measures that we have made, may help them to trade down and get out of the debt difficulties they have.

We also had too narrow a tax base in that the very wealthy in this country were not paying their fair share. Following yesterday, on the back of other changes and further ones to come, there will be a significant increase in real taxation payments by those who are very wealthy who in the past were able to avoid paying their fair share of tax by using tax reliefs and the special pension arrangements. That is a critical and important change that we have agreed in this budget.

We must also generate our wealth in a much broader way and get away from our obsession with property.

This is also facilitated in the budget in the way in which spending on enterprise, research and development and education have been maintained. At a time when we are making very difficult decisions to cut back areas, it was a critical strategic decision to state we will try to

maintain spending in these areas in recognition that such enterprise from educated people is the best way of us developing sustainable economic recovery.

This involved incredibly difficult policy decisions because not cutting as severely as one could in areas such as education means in other areas, such as social welfare in particular and health, reductions are being made for which it is very hard for anyone to argue in favour. I can only state that we do it not in the interests of creating a less equal society but in a real attempt to try to get our public finances working and to get our economy and jobs working so people will not be reliant on social welfare payments. For those who require it, there will still be maintained a basic protection in our society recognising that those who cannot work their way through enterprise or by other means do have to be protected, be they pensioners or other people in similar categories who cannot rely on their own endeavours. These changes are very difficult; they were not easy to make but it was done in this context.

There are other changes we need to make and deadwood we need to remove. The most significant of these is that we need a change in ethics, particularly in Irish business. We got into banking difficulties and difficulties with the property bubble because people were thinking of themselves and not of the consequences of their actions. People chased targets such as performance bonuses and high pay returns rather than thought about the consequences of the business decisions they were making. This will have to change in Irish business as we move out of the Celtic tiger period into a new period where we seek new growth.

People in this country will be forced to ask hard questions and look at the detail. In this country, we have a habit of saying things will be all right. There is an attractive aspect to this but things were not all right. In the boardrooms of senior companies and particular banks and in our regulatory system people were not willing to ask the hard questions. This will have to change. Paying attention to detail and getting the detail right in everything we do in the public and private sectors is also a consequence. Changes will have to come out of this unfortunate lesson we have learned in the past three, five and ten years.

There will also have to be consequences. It is deeply frustrating and difficult for those in the political system to see our legal system not being able to state that certain actions taken were wrong and should be punished in an appropriate way. We need this to happen. In this country, we operate under a system of freedoms provided by a Constitution which recognises individual rights. For all the flaws in our Constitution the rights protected in it and by our legal system are crucial freedoms which we need to maintain and protect while at the same time seeking justice so that people face the consequences of what has been done. I hope we can get this balance, difficult as it is, right. There is also freedom of speech in this country, which is important. Our press is free to report as it sees fit. It can also lead people to a better understanding of what is happening through the freedom it can exercise.

We need a change in politics away from the politics of populism which got us into some of these difficulties. The easy solution was to state that money was available and one might as well spend it. As we in the House all recognise, too often we work on a constituency-oriented basis rather than on a policy-based basis. This was one of the primary causes for us failing to see the policy mistakes that were taken in recent years and to adjust accordingly. This will have to change. We will also have to change so there is no question of undue corporate influence clouding political policy judgment. I am very keen to see the Government delivering on its commitment to end corporate donations so that a hint or possibility of such influence does not exist. These are some of the key changes we need to make if we are to learn lessons from what went wrong in recent years.

[Deputy Eamon Ryan.]

More than anything, we need politics in which hard policy choices are made. We need the public service to be managed in a very effective way. Whoever is in Government faces a huge challenge in the daily business of politics to drive our public services, to take risks and to manage resources more effectively. From my vantage point as a Minister with responsibility for areas of economic development, I see real opportunities for development in the new digital economy, in a green economy, in our food industries and in our financial services industry. It is possible, but first and foremost it needs political change and political responsibility. As the Minister for Finance stated in his speech yesterday, it requires confidence in ourselves.

Yesterday, I was somewhat encouraged and some confidence returned to me when I saw the response in the Chamber to the Budget Statement. Other commentators wondered why it was so muted compared to the usual Punch and Judy show we have on budget day. I took it as a sign of optimism that there is recognition on all sides of the House of the seriousness of the situation and the responsibility we all share to start addressing it. I listened to Deputy Michael Noonan and I very much empathised with his quoting Michael Collins on the need to grow again our country and have that sense of love returned to it. At lunchtime, I listened to the Taoiseach on the radio stating rightly that love of country is instilled in every one of our parties. We need to use this common cause — this common love and affection we have for our country — to provide clear and practical politics to help us out. As the Taoiseach stated, we cannot rely on false promises.

We need to work in detail on the changes not only in this budget but in the next three or four budgets to come to get us out of the difficult times we are in and the hard winter we are having, into a spring which can grow. I am confident we can do this. Parties on all sides of the House, and my party in particular, have a role to play because those green shoots will and should be green.

Minister for Foreign Affairs (Deputy Micheál Martin): I welcome this opportunity to make my contribution to the budget debate along with my colleague, the Minister, Deputy Ryan. The key imperative facing the country is to chart a credible pathway over the coming years towards economic recovery and towards emerging from what is an unprecedented economic crisis. We have not seen the likes of this globally or in Ireland since the great crash of the late 1920s. It has taken a collective effort by the nations of the world to prevent the collapse of the global economy. There is significant interdependence in the world economy today that perhaps did not exist in earlier decades. It is important that this European and global context is not lost sight of in terms of where Ireland now finds itself. Since we joined the monetary union and since the phenomenon of globalisation, the world is a much smaller place; it is far more interconnected and the impacts of decisions we take here and elsewhere can influence Ireland and Europe. This is particularly true with regard to banking. We cannot act unilaterally with regard to banking as some people have suggested or superficially put forward as panaceas for the banking crisis. We cannot act unilaterally in this regard. That is very clear.

Some people sneered at the Minister for Finance for suggesting there was a turning point, but if one looks at the sheer decline in 2009 and the contraction in GNP and GDP terms and then looks at 2010 when that situation flattened and there was 0.3% growth in GDP, it is clear that there has been a substantial stabilisation of the economy. If one adds to this the modern dimension of our economy, namely, the industrial and export sectors, the economy showed significant resilience in the eye of the storm during the crisis itself when we witnessed a decline of 4% in exports in 2009 when other countries witnessed export declines of up to 16%. This year our exports have shown significant growth as they have increased by 7% in real terms in the first half of this year. This is a significant indicator of activity, productivity and regained

competitiveness in this sector of the economy which, everyone agrees, is the engine of growth for the future and the way towards economic recovery. Manufacturing output was up 12% in the third quarter, export orders remained strong in October and the live register figures are down for the third month in row. Another key factor in terms of the public finances is that the underlying budget deficit stabilised at approximately 11.6% prior to the budget. This is important, because many people have suggested that the €14 billion correction that has occurred since 2008 has not worked or that it was unnecessary. If we had not made that correction, we would not have up to a €20 billion deficit but would be in a completely unsustainable position in terms of the public finances. That would threaten the very fabric of our social security and welfare systems and our health and education services. The answer does not lie in the wholesale reversal of the programme of getting our public finances in order. As our colleagues across Europe have said, we need deeper and more rapid action on a number of fronts.

The Labour Party has suggested that we could, for example, have worked on a €4.5 billion cutback this year. That argument is disingenuous because nobody has mentioned the growing nature of debt servicing costs. The longer we postpone the change, the more costs we build up down the line and that is the major problem with the Labour Party's €4.5 billion approach or with the idea that we can continue to delay corrective action. Both the Labour Party and Fine Gael have questioned the growth rates that underpin the budget and the four year plan. I suggest it is no longer enough for the Opposition parties just to question the growth figures. The plan the Fine Gael Party put forward accepts the Government growth figure and it forms the basis of the Fine Gael projections for the next four years. The figure also forms the basis of the Labour Party budget. The Commission has a different growth perspective.

Deputy Bernard J. Durkan: So have I.

Deputy Micheál Martin: If that is the case, I suggest Fine Gael should adopt its own growth estimate.

Deputy Bernard J. Durkan: The Minister should not worry, I will.

Deputy Micheál Martin: This is a transparent process and there are many different economic models. It is not enough for people to play it both ways or for them to pencil in our growth figure, but doubt it will happen.

Deputy Bernard J. Durkan: Fianna Fáil has pencilled in its figures for the past ten years.

Deputy Micheál Martin: If Fine Gael doubts the projected growth will happen, it should put forward its growth figure based on its economic modelling and on the variety of perspectives and economic models there are and base its four year plan on that.

Deputy Bernard J. Durkan: From here on in we will.

Deputy Micheál Martin: I have noted that the Fine Gael four year plan accepts the Government's growth targets as the basis for what it has put into its plan.

Deputy Bernard J. Durkan: The European Union did not accept the growth figure.

Deputy Micheál Martin: The competitiveness agenda is very important in terms of job creation and of ensuring we have an economy that responds to the need to increase exports. We export goods and services and we must ensure that those goods are world class in terms of quality and technology. In many instances, they represent solutions to global problems, be they related to energy, climate, businesses, agriculture or food. Some very exciting companies have

[Deputy Micheál Martin.]

emerged over the past decade with the support of Enterprise Ireland and the pro-business environment in Ireland that has facilitated the growth of a significant number of new types of SMEs in the food, technology, life science and digital areas and in internationally traded services. We must continue to pin our hopes on these areas, which is the reason we have put such significant investment into the enterprise Estimates for the next three to four years. It is also the reason we are not just maintaining the level of investment in research and development area but are making modest increases in it over the next number of years. We want to ensure that the critical mass of research capacity we have built up can be deployed to ensure greater commercialisation of research and new products and services that will bring about new jobs and greater exports.

Notwithstanding all of the challenges we face, it is important to acknowledge that over the past ten years we have transformed the research landscape in this country. In 1997 when I became Minister for Education, there was no research budget. We have transformed the situation, particularly in terms of the campuses of our universities, institutes of technology and specialist research centres. We have also transformed it in terms of the quality of personnel, both home grown and those from overseas. The evidence in terms of how the IDA's portfolio of inward investment has changed bears this out. As the Taoiseach mentioned this morning, some 50% of the projects run by the IDA this year are research-based projects. Prior to this we had seen growth to approximately 40% of new projects coming in being based on research. These projects are not just involved in research for its own sake, but underpin the high end manufacturing presence we continue to have in Ireland in many sectors, but more specifically in the life sciences and ICT. These remain strong sectors for our economy and we must continue to focus on them as a basis for growth. As a result of the development of the export sector, domestic demand will return in time to sustainable levels.

Finally, we need a change in politics and in our political system and it is important we do not return to "politics as usual".

Deputy James Reilly: We need a change of Government.

Deputy Bernard J. Durkan: It is not the system we need to change, but the people in government.

Deputy Micheál Martin: However, I am a bit more pessimistic as a result of what I witnessed yesterday in terms of protestations. I get the sense from the Labour Party that its basic political objective is to win as many votes as it can at all costs and to take the consequences after the election in terms of the implementation of policy and the harsh realities.

Deputy Bernard J. Durkan: I thought that was the Fianna Fáil philosophy.

Deputy Micheál Martin: I acknowledge the Fine Gael four year plan has some credibility, but I feel that the Fine Gael leader probably did not mean what he said this morning when he said there would be no income tax increases under the Fine Gael Party in 2011. That is not credible and it undermines the centre piece of the plan Fine Gael published last week. The nit-picking that is going on suggests to people that there are alternatives. If one signs up to a saving of €6 billion, that must involve pain and must impact on people, unfortunately. I acknowledge this is difficult and tough for people at all levels.

There should be political reform. I agree with my colleague, the Minister for Communications, Energy and Natural Resources, Deputy Eamon Ryan, on the issue of corporate donations. The legislation on that will be progressed by Government and should be in place

before the calling of the election, because that is important in terms of the conduct of the election.

Deputy Bernard J. Durkan: I would love to be a fly on the wall when that discussion takes place.

An Ceann Comhairle: Deputy Durkan, please allow the Minister continue. We have many people offering to speak and the Deputy's interruptions are holding up proceedings.

Deputy Micheál Martin: We are committed to reform. I am committed to a regime which will change dramatically the whole practice of large corporate donations to politics. All the analysts say we need to change our politics. Let us not lose the opportunity afforded by this watershed period in our history in terms of economics to do the thing properly.

Deputy Bernard J. Durkan: We need to change the Government.

An Ceann Comhairle: Please allow the Minister to conclude.

Deputy Micheál Martin: My concern is that the type of exchange Deputy Durkan requires does not fill me with confidence that change will happen

Deputy Bernard J. Durkan: It should.

An Ceann Comhairle: Deputy Durkan's opportunity is coming up. He will have his opportunity to contribute shortly.

Deputy Micheál Martin: To be fair, Deputy Durkan's opportunity has been coming for a long time. I will now hand over to my colleague, the Minister of State at the Department of the Environment, Heritage and Local Government, Deputy Finneran.

Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Michael Finneran): I am glad of the opportunity to comment and make some input into this debate. I am here to discuss the significantly reduced provisions for the Department for 2011. As the Minister, Deputy Gormley, has already outlined, the Department faces a combined cut across both capital and current spending of €595 million, equivalent to a 27% reduction on our 2010 provision.

As the largest programme area within the Department, the housing budget must shoulder a significant proportion of the overall burden of the adjustment, of some €350 million, with the bulk of the saving coming from the main local authority programme. However, this figure really only tells half of the story. If we measure success by how much money we throw at a problem, social housing some tough years ahead, because the moneys that were available in recent years will no longer be available for the construction and acquisition programmes to which we have become accustomed. Fortunately however, long in advance of the downturn in the public finances that gave rise to this tough budget, the Department has been putting in place a programme of reform that has started to transform the way in which housing supports, social housing supports in particular, are delivered. At the heart of this transformation agenda lie equity, fairness, choice and value for money. Its delivery was always anticipated to yield major savings in the housing budget as reliance on the tried and tested forms of provision decreased and more flexible and cost effective mechanisms which are more adaptable to the different phases in the life cycle were developed. The scale of the adjustment required to restore the public finances may have added further impetus to the process of change my Department has already been driving but let no one claim that fiscal expedience is driving this programme reform.

[Deputy Michael Finneran.]

Similarly, focusing only on the extent of the reduction being applied to one area of the housing budget ignores the fact that in the areas which are focused most sharply on meeting the needs of the most vulnerable and the most disadvantaged households, the provision will be maintained and, in some cases, slightly increased. In a budget delivering cuts of more than €6 billion, this is a remarkable demonstration of my deep commitment to sparing pain from those who can least take it.

I will now outline some of the main elements of housing provisions for 2011. The Minister for Finance indicated to the House that I will explore changes to the tenant purchase arrangements. I will introduce revisions during 2011 to the existing tenant purchase scheme to make it more attractive, particularly for longer term tenants. Throughout 2011 tenants will be able to avail of a discount of up to 45% on the market price. This is an increase from the maximum 30% discount normally available.

A key aim of Government housing policy is to support the development of sustainable communities with a mix of residents and in so far as possible in the tenure of their choice. The tenant purchase scheme has made a significant contribution in this area. The more favourable tenant purchase scheme will offer a significant number of long-term social housing tenants better opportunities to purchase their homes. My Department estimates that 45,000 people qualify for the scheme.

My Department is currently working to ensure that full details of the scheme, including details in respect of the loan finance which will be available from local authorities, will be made available in the coming weeks to permit the expanded scheme to be introduced from 1 January next.

One of the key areas where this Government can be justifiably proud has been our determination to tackle homelessness. This commitment was enshrined in our strategy document on homelessness, “The Way Home”, which I launched in 2008. Despite the fiscal difficulties encountered in recent years, my Department maintained funding levels in this sector in 2008 and 2009. I am glad to report that our continued commitment to tackling homelessness will see our expenditure in 2011 exceed €53.4 million. This is a nominal reduction from approximately €2.5 million but in real terms we are maintaining our level of commitment.

I strongly value the unique contribution the voluntary and co-operative housing sector makes to the provision of social housing generally and especially to households with particular needs. Tremendous results have been achieved over the years through our partnership with this sector. This is reflected not just in the levels of financial support but in the numbers of houses provided or supported.

Next year, I will provide within the overall funding for the capital assistance scheme a dedicated pool of funding for mixed funded social housing projects in the voluntary and co-operative housing sector. A total of €15 million will be provided as a capital element to be used by approved housing bodies to leverage private loan finance from the Housing Finance Agency and other lending institutions. Combined with a further €75 million directly invested under the capital assistance scheme, this will ensure that the momentum built up over recent years by the voluntary and co-operative sector can be continued with a particularly active role under the social housing leasing initiative.

Since the launch of the new suite of adaptation grants for older people and people with disabilities in late 2007, the level of demand and activity across all local authorities has been considerable. This is testament to the importance of grants as part of an overall continuum of care and support for independent living at home among target groups. This year’s allocation of €65 million, along with the competitive rates that prevail in the building industry, will provide

assistance to more than 11,500 households. The total provision in 2011 will be almost €82 million when the local authority contribution is taken into account. This reveals a clear commitment to protecting the most vulnerable and disadvantaged households.

We will continue to be ambitious in local authority regeneration and remedial works in 2011. More than €120 million will be invested in this area and we hope to start construction on a number of schemes in Limerick in 2011.

Long-term leasing delivered 3,000 units thus far but more should have been delivered. Greater energy will be invested in this area by local authorities in the coming years. We have a great opportunity to build houses to meet the needs of people on housing lists.

Even without recession, the way in which we deliver on social housing needs would have been further reformed. In the context of the recession, financial constraints allied with favourable market conditions have accelerated those reforms but that does not make them less necessary. Without hesitation or reservation, I commend the budget, the 2011 Estimates and the significant Housing provisions contained therein to the House.

An Ceann Comhairle: The next speakers are Deputies James Reilly, Fergus O'Dowd, Catherine Byrne and Phil Hogan. Deputies Reilly, O'Dowd and Catherine Byrne will each have eight minutes while Deputy Hogan will have six minutes.

Deputy James Reilly: The inimitable and irreplaceable Deputy Durkan will speak in Deputy Hogan's slot.

Deputy Bernard J. Durkan: The Ceann Comhairle would not agree with that description.

Deputy James Reilly: We listened to the Minister for Communications, Energy and Natural Resources as he spoke about how the summer can bring new life to the ground after a hard winter. I remind him that he and his Green Party colleagues have aided and abetted the Government in introducing a hard winter of discontent for the people. They will not be forgotten for that.

The Minister of State at the Department of the Environment, Heritage and Local Government, Deputy Finneran, referred to the heart of this budget. The heart of this budget is hard, cold and deaf to the needs of the vulnerable. It flunks the job creation challenge while hitting the most vulnerable and putting yet more pressure on low and middle earners. For the second year in a row the Government has decided to punish carers, those with disabilities, blind people and widows. Out of a budget of €6 billion, it could not find an alternative to taking €90 million from this vulnerable group.

Taxes on low and middle incomes have increased dramatically. Fine Gael would not have increased income tax rates in 2011. The minimum wage is being cut while the public sector wage cap, at €250,000, remains too high and will not affect State owned banks. If the Government wants moral authority, it must lead by example. The Minister for Finance suggested that the Taoiseach's salary has been reduced by €90,000 but, given that it has decreased from a peak of €285,000 to €214,000, I do not understand how he did his maths. Deputy Kenny noted this morning that the Taoiseach now earns 14 times the minimum wage compared to a multiple of 13 prior to the budget.

Public sector reform has been shelved, resulting in lost savings, poorer service and even more of the cuts to the front line for which this Government has become renowned.

A three child family with a single gross annual income of €50,000 will face a cut of almost €1,800 per year. The same family would have been better off by €1,600 per year under Fine Gael's alternative plan based on more ambitious cost reductions and reforms in the public

[Deputy James Reilly.]

sector. Public sector reform and job creation are the keys to our recovery. My friends in the Labour Party wish to increase taxes. Fine Gael wants to increase jobs. I was struck by a number of points made by the Taoiseach in his speech. He said: “We are helping the unemployed.” I wonder how he is doing that. He then said: “We already have jobs and growth plans in place.” How often have we heard this from the Government? Plans for tomorrow are a substitute for action today. Where is the cut in employers’ PRSI to take on new employees earning up to €354 per week? Where is the reduction in VAT from 13.5% to 12% to encourage more service orientated jobs? Why cut the minimum wage? This action merely makes the poverty trap worse.

The Government has excelled at conning the people. Three years ago we had an accident and emergency crisis and a ten point plan to remedy it, but nothing happened. We were told 1,000 extra beds would be put into the hospital system under co-located hospital plans. Not a single sod has been turned, not a brick laid or a bed delivered.

Last July, the Minister for Health and Children, Deputy Mary Harney, sat where the Minister of State, Deputy Mary Alexandra White, is sitting now and scoffed at the notion of €200 million being saved on drugs. Yesterday, she announced, with great aplomb, that €200 million is to be saved on drugs. There is consistency.

Why does the Government take these actions now? Why did it wait until the IMF was at the door? The sheriff has not merely come to the door, he is now in the living room, eyeing up the various bits that must be taken away. Why was this not acted upon two or three years ago when it was suggested on this side of the House? The Government saved €90 million by depriving widows, the blind, the disabled and carers, when €200 million could have been saved through drugs reference pricing. These are the real hard choices that should be made by a Government that cares, is in touch with the people and listens, not one that is deaf.

Not a single banker has been jailed, although we are three years into this crisis. A banking policy was launched with great aplomb by the Minister for Finance, who said we would make a profit from it. Later he said it would cost us €4 billion, then €16 billion and now it is €50 billion. This is like “Casino Royale”. The money just keeps going up and up and no one knows where it will stop.

A fair and effective budget will boost confidence and jobs. As the Taoiseach said this morning, in the public arena we need to start believing in ourselves again and to communicate this with confidence to the outside world. All that is true, but he left out a very important word. We need more than confidence. We need credibility, of which there none in the Government. It has no credibility with the people of the country, the markets or the international community. That is why the IMF is here to ride shotgun, to look over the Government’s shoulder and make it report weekly, monthly, quarterly and annually.

Greed, bred with incompetence, spawned the catastrophe the Government caused to befall the country. The Government has crushed and crucified the country. It has poleaxed the people, eviscerated the economy and ruined our reputation. There has been no Government responsibility, transparency or accountability and no fairness.

An election is coming and the people will have their say. Fine Gael has the policies to get the country back to work. We have the people with the courage, the confidence and the competence to implement those policies. Fine Gael will reclaim this Republic for the people, for it is the people’s Republic. We need a Government that listens to the people and speaks to the people and for the people.

Deputy Fergus O’Dowd: My colleague, Deputy Reilly, likened Government policies to “Casino Royale”. I understand we may have a new casino in Tipperary North. That is, no doubt,

why the dissolution of the Dáil has been delayed for another month. When they get the casino, they might put Bertie's safe into it to keep the national debt. Unlike the money he put into his safe, it may reduce overnight to a less significant figure.

The Government's politics are a joke. The Green Party, which campaigned against going into government with Fianna Fáil, is tied irrevocably to them. The disaster that will befall the Green Party is of its own doing. It could have stood on this side of the House and fought this appalling Government every day and month.

If there is to be a future for the country and if we are to reclaim our place in the world and stand shoulder to shoulder with other nations, without the IMF or the ECB on our back, let us do it with the best educated and most talented young workforce, which we have. We have received a disgraceful result in the OECD-Pisa survey, which is an international comparison of students aged 15 years throughout the world. After the boom and as we face into the Fianna Fáil bust, we are left with an appalling situation. Irish education has regressed under Fianna Fáil since 2000. The biggest fall in literacy attainment in the OECD countries is in Ireland. We are doing worse than any other country since 2000 in our literacy skills. It is not easy to accept that. It is appalling, given the situation we are in.

We need a really big shake-up of the Government and of the Department of Education and Skills. They have been sitting on their butts for too long. The Government is not at the races when it comes to making sure there are fundamental changes in our education system that encourage young people to learn more and put us back at the top, where we were. We are in an appalling situation. Yesterday, *The New York Times* said the results were weak, as usual, in the United States. They are, unusually, appalling in Ireland. *The New York Times* compared the US results to the outstanding results in all fields in Shanghai, which participated for the first time. The newspaper remembered the United States's Sputnik moment when the USSR launched a satellite into space, showing its science and technology was advancing on America's. We are having a Sputnik moment. This is our wake-up call. Ireland is falling behind. The regions that performed outstandingly in international education were Shanghai, Hong Kong, Singapore, Taipei and Macau.

We have to change the way we are doing things. The reading results for low achieving boys in Ireland are serious and depressing. In mathematics, we have fallen to below the OECD average in overall performance. The proportion of top performers is dismally low, compared to our competitors. Lots of explanations come from the Minister. She even got Canadian consultants to interpret what was going on. However, the facts speak eloquently. This is a reflection on primary and secondary education, which is the very foundation of the Irish education system. We need to change, and change utterly.

This budget should be driving forward the improvements in education that are not happening. We need to look again at what is happening in many of our schools, particularly in urban areas where we have a large immigrant population. In some schools, 35% of the intake come from homes where English is not the first language. Cutbacks in education affect resources as children move up through primary school. Special resources teachers are not being provided. This means students do not perform as well as they should. A crippling burden is placed on students who do not have English as a first language and also on the students who do. I accept that the allocation of resources must be examined. However, we will never improve our scores if we allow this to happen.

Between 2000 and 2009, Ireland fell from 5th place among 39 to 17th place. More than one in six children in Ireland is estimated to have poor reading skills. A total of 17% are low achievers in reading. Almost one quarter of males received an average score which is considered to be below the level of literacy needed to participate effectively in society.

[Deputy Fergus O'Dowd.]

One of the key problems resulting from this economic disaster is that 180,000 people in the workforce with third level qualifications who need to be upskilled to fourth and fifth levels. This problem will be exacerbated by the policies of the current Government. In the area of mathematical education, Ireland's place has fallen from 16th to 26th place in just three years, the second biggest fall in the survey. We have significantly fewer students attaining proficiency levels higher than the OECD average, at 6.7% compared to 12.7%. Generations of Irish students will now have to pay for the disastrous decisions of Fianna Fáil Governments. This report shows students are already suffering by falling behind their international counterparts. If Ireland is to compete for jobs in the international marketplace and in the new economy this is where the fundamental changes must take place. For the short time left to her in office, I suggest the Minister re-examines the reallocations to primary education within her Department and re-examines the policy for students who are not speakers of English as their first language and the impact of this on the primary curriculum.

I have attempted to obtain clarification from the Department of Education and Skills on a matter regarding the budget but nobody in the Minister's office can answer my query. I ask that the Minister of State explain a note on the Minister's website. It refers to a change in the qualifying distance criteria for entitlement to the higher non-adjacent rate of grant for third level students. She has increased the qualifying distance from home, from 24 km to 45 km. I have been informed today by the Union of Students in Ireland that this change could affect up to 18,000 students. It will mean an adverse change in the income of each student of €1,900. They will each lose almost €2,000 in grants they would have received if the grant system for distance travelled from home remained in place. The key question to be clarified is whether this affects existing third-level students. Will such students lose that grant in the new academic year? Will the new proposal apply to existing grant holders as well as new students? This is a very serious issue which will cause problems for families and for young people who live in remote rural areas which do not have the public transport links such as exist on the east coast.

Deputy Catherine Byrne: This budget has been a long time coming and people were right to be fearful of the tax increases and spending cuts enforced by Government in an effort to find €15 billion worth of savings. At this time of great anger and worry, we need to be calm. The Taoiseach shouting across the Chamber does not solve the country's problems but instead only adds to them and makes people more fearful. What is needed is a general election. We need to focus on giving people hope and giving young people the necessary education and skills to breathe new life into families and communities which were forgotten in the Celtic tiger years.

Yesterday's Budget Statement by the Minister for Finance, Deputy Brian Lenihan, did not inspire us, nor did it offer us any hope that the Government will bring this country out of recession and get people back to work. Instead, the Minister for Finance doled out a brutal list of cuts to social welfare which will cause great financial hardship for the lower paid and those who rely on social welfare supports to survive. I listened in disbelief as the Minister said yesterday that over the past two years the Government had worked hard to get its spending back under control. This is a joke. Up until a few weeks ago, the Government wanted us to believe there was no problem and that the public finances were well. Now that the Government has finally admitted there is a problem, the taxpayer, the low paid and the unemployed, are being asked to fix it.

People who were previously earning too little to be considered for tax have suddenly found themselves in the tax net and more people will be paying both the standard rate of tax of 20% and the higher rate of 41%. A reduction in tax credits and the new universal charge means even further cuts to income. The abolition of tax reliefs is a necessary evil. However, reliefs

such as those for child care will put more pressure on young parents who are struggling to meet all their household bills, mortgage and child care costs.

I am pleased to hear that this budget will not inflict a cut to the State pension. In recent months, there was a genuine fear among the elderly that their pensions would be cut. I hear this regularly on the doorsteps. While the Minister avoided cutting the old age pension, he did not spare their children or their grandchildren. He will be remembered as the Minister who took the widow's mite and cut the widow's pension.

Social welfare payments are to be reduced by 4%. This means that most payments will see a cut of €8 per week. Those in receipt of widow's pension, invalidity pension, blind pension, one-parent family payment, disability allowance, will all receive a reduced payment. I am in a state of disbelief that the Minister has decided to cut carer's benefit and carer's allowance by €8 for people under 66 years of age. This was a mean decision. These people are the backbone of their families. They provide care 24 hours a day, seven days a week. They may have given up employment to look after their loved ones at home. There are no Christmas holidays for carers. They have devoted their entire lives to care for their loved ones, young and old. They have sacrificed a lot to provide around-the-clock care, which saves the State millions of euro each year.

The Minister has decided to make a €10 euro cut across the board in child benefit. I do not believe that this is a sensible approach because it means that high earners still retain the payment. The budget refers to savings of €30 million in the area of energy and communications in the household benefits package, but no further detail is available. This is a real worry for people who rely on social welfare credits for their electricity and their phone bill. We urgently need clarification on changes in this scheme.

The one positive element in the area of social welfare is the increase in the fuel allowance. An extra €14 million has been allocated to this payment which means households will now receive €40. While this is a welcome change, we should not forget that fuel is expensive and in this bitterly cold weather, our fuel consumption will increase dramatically and €40 will barely cover the cost of a sack of coal.

The introduction of a new community work placement scheme is too little, too late, for the growing number of young people who are unemployed. This budget does not provide for any new initiatives to get young people back to work. There is a big gap in the so-called national recovery plan. We need to support enterprise and small business and to create new jobs. We need to look after the many thousands of apprentices who are unable to finish their FÁS courses because they are unable to find work placements.

The budget also cut funding for social housing provision and supports by 36%. Does this mean that people will have to stay on local authority housing lists forever? As we all know, there are thousands of empty properties littering the Irish landscape, yet there is no initiative from the Government to use these properties to facilitate those in urgent need of housing and the homeless.

Another group of vulnerable people who will suffer as a result of this budget are those with addiction problems. These people have been forgotten. Funding to drugs initiatives in the Department of Community, Equality and Gaeltacht Affairs is to be cut by 7%. There will be further cuts of 63% from the Department of Education and Skills. This will have a devastating impact on local services. There have been cuts in the areas of family support and counselling services. The effects of the cuts are visible in the closure of methadone clinics and needle exchange programmes and among the community workers who help young families and grandparents to deal with the addiction in their homes and communities.

[Deputy Catherine Byrne.]

The budget will put enormous pressure on charitable organisations such as the Society of St. Vincent de Paul. The Minister has practically made that society a semi-State body because of the number of people who will be forced to turn to it for help this Christmas and in the coming year. The future of this country needs to be placed in the safe hands of people who will form policies to protect the weak and the poor. Yesterday's budget showed the Government up for what it is — out of touch with people and consumed by thoughts of its own self-preservation. The Minister for Finance and his fellow Cabinet members should hang their heads in shame. This is not a budget of fairness but a budget of injustice which totally lacks any sense of solidarity with those in need of help. I do not support the budget and the cruel, heartless measures it has introduced that will affect the many people living in poverty.

Deputy Bernard J. Durkan: One of the things that was heralded in the approach to the budget was that it would be tough but fair; that is what everybody felt, but unfortunately that is not what we got. Whatever the reasons and regardless of whether we like it many people are waking up to the fact that it is a sneaky and deceptive budget that will show up many cuts people have not yet seen. For example the Government took great pleasure in claiming it has protected those on pensions when it has not. Unfortunately those on pensions will find that out in the weeks to come. It has made numerous crosscutting attacks on various income groups who are dependent on a fixed payment because of the economic situation. I will deal with who is to blame for the economic situation shortly.

I have to laugh when the Government starts attacking the Opposition and blaming it for the present state of the country. Some commentators pick it up and add to it by stating that the Opposition could not do any better, but the Opposition was not in government and had nothing to do it. The Opposition pointed out all the things that would happen long before they happened, but the Government said nothing, did nothing and has no intention of doing anything because despite what some Ministers will claim the only intention the Government had was to get in and stay in as long as possible, which has resulted in our present crisis.

I hope the lesson for us all is that when a government or a party remains too long in power, it loses touch with the people, which happened a long time ago. I bear no malice towards Ministers and other Members on the other side, who are decent people, but they were wrong and misread everything. They claim to have called upon expert opinion but the way to deal with expert opinion is to judge it for oneself and then take responsibility. That has not happened here for a long time.

Let us consider what has happened to a number of different people. What did the carers do wrong to get hammered? It is generally recognised that the carers provide considerable support for people who might otherwise be institutionalised. However, they have been hit in such a fashion because of bad Government. In the weeks to come the elderly will feel the swingeing cuts and find they are being blamed for what went wrong. It is only a few years since the previous Fianna Fáil-led Government handed out free medical cards to people over 70, which was hastily withdrawn. Recently the Minister for Social Protection — which should be called social destruction — said that many pensioners are very wealthy. I do not know whether they were wealthy when the Government came into office, but they are certainly not wealthy anymore. How many people were told they should invest their retirement lump sums in high-return investments that turned out to be worthless? They have not just lost their meagre savings, but were also encouraged to borrow and invest more by financial advisers.

Let us consider the young. What has a widow with three or four children done wrong? Why should she be punished for the antics we have seen unfold before us in recent years? She is caught on two counts, first, her own pension and second, child benefit. Many people, including

widows and widowers, when paying what little they can of their mortgages are dependent on the child benefit alone. I do not believe the Government recognises the size and scale of the negative impact on that group of very vulnerable people. In recent times it seems to have become fashionable to target the unemployed. The Taoiseach said this morning——

An Ceann Comhairle: The Deputy has one minute left.

Deputy Bernard J. Durkan: The Taoiseach got to make a longer speech. He said the Government was helping the unemployed, which I am glad to hear. I would hate to see what the Government might do to them if it was hindering the unemployed because it is attacking them. It has become fashionable to point to the unemployed as the cause of the problem and claim there is social welfare fraud. On a daily basis the Government claims one group or another should not be getting whatever it is they have and the Government has set about taking it off them, which is an appalling state.

There is a grave danger that this society might turn on itself. We are on a knife edge and it is a serious situation. As the people groan under the burden that has been unleashed on them, they will tend to become cynical. While I hope that does not happen, all the signs I see are the signs of social upheaval which if visited upon this society will make matters even worse than they are at present. At this stage I would have thought that the Government would have stood up, taken responsibility and said: “Listen, we can’t do this.” During the good times it gave huge increases in social welfare, which was great, but now it wants to take them all back in the bad times. It is like taking away the umbrella when the thunder shower appears. A strange and extraordinary situation is now developing. I hope our society can withstand the weight and savagery of the burden placed upon it.

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): I wish to share time with Deputy Johnny Brady and the Minister for Enterprise, Trade and Innovation, Deputy Batt O’Keeffe.

An Ceann Comhairle: Is that agreed? Agreed.

Deputy Brendan Smith: During the course of his introductory and concluding remarks, the Minister for Finance referred to the continuing strong growth in export orders for both goods and services and the opportunities to further develop sustained, balanced, export-led growth in the economy. In this context the Minister referred to the important contribution of agriculture and the agrifood sector. I fully endorse the Minister for Finance’s comments and wish to refer in some more detail to the key role which the agrifood industry can play in economic recovery, as identified in the Government’s national recovery plan and based on the potential identified in the Food Harvest 2020 report which I along with the Taoiseach launched in July. The Food Harvest 2020 report sets the scene for the development of our agrifood, drinks fisheries and forestry sector for the next decade. Getting our future priorities right will be fundamental to growing our most valuable indigenous industry. The report captures the considerable scale and complexity of this indigenous sector. It underlines its unique and special position within the economy and illustrates the potential to grow even further. I am particularly pleased that the report contains concrete suggestions towards which Government and private enterprise can work.

The title of the report, “Food Harvest 2020”, defines the potential of the sector to deliver real returns and be at the forefront of our economic recovery. If we make the correct decisions now, then the harvest will indeed be great and the report sets out a comprehensive and considered roadmap for the development of Ireland’s key indigenous sector.

[Deputy Brendan Smith.]

The targets set are challenging but they are also achievable. This will not happen by chance. We all have to be committed to make it happen and to achieve the goals which this report sets out based on a vision based on smart, green growth. Ireland's agrifood sector has always been associated with green natural and sustainable production but we cannot take this association for granted. At a time when these qualities are increasingly demanded by both society and consumers, it is vital that we are more proactive in demonstrating our green credentials. We must prove that what we are doing is sustainable and then deliver our green message to the rest of the world in a co-ordinated and targeted fashion. That is why we are developing the Brand Ireland concept.

"Acting Smarter" is also a key feature of the approach to be adopted to future development. It should help to dispel the myth that building a smart economy involves concentrating on one or two of what are generally considered to be the high-tech industries. Modern agriculture is technically advanced and cutting edge technology is used to add value to the food we produce. We have invested heavily in research and facilities over the years so that now our farmers, fishermen and food companies are among the most technically advanced in the world.

This is an industry where we have real strength and real opportunities. This, more than any other reason, is why we must support its growth and development. The challenge is to build on this existing knowledge and capability so that our industry remains at the forefront of our international competitors. Acting smarter also means rethinking our business relationships, targeting new customers, increasing skill levels and being innovative along every part of the supply chain, from farm to fork.

We must also improve our competitiveness. The report deserves to be carefully studied by everyone in the agrifood sector as a plan in which everyone in the sector has a role to play. The report identifies how existing resources, both public and private, can be better utilised. In this regard, we all will need to play a part. Government alone cannot deliver on this vision.

For the Government's part, I have established a very focused high-level group to ensure effective, joined-up implementation, including consideration and prioritisation of how best to pursue to recommendations made. This group will also act as a clearing house for the wide range of issues that arise in regard to the development of the sector, as recommended in the report.

As Minister for Agriculture, Fisheries and Food, I am committed to leading and driving the implementation of this report by bringing together all of the relevant arms of the State in pursuit of the one goal. I will also fully involve sectoral representative bodies and other external expertise as required. Our approach to implementation will be flexible. I am open to new ways of interacting and doing business, which will achieve results. Importantly, the approach will also be transparent and accountable.

I am pleased to say that the budget introduced yesterday and the 2011 Estimate for my Department recognise the contribution of the agrifood sector to the economy, especially the rural economy and society and represents a vote of confidence in the potential and ambition which is clearly set out in Food Harvest 2020. In summary, the main elements of the budget for my Department are that there will be no change in payment level for the main agricultural schemes, the agri-environment options scheme will re-open in 2011, farm waste management scheme payments will be brought forward to this month, and total Department expenditure in 2011 will be €1.644 billion, which, when added to EU-funded expenditure, will mean expenditure by the Department in support of the agriculture, food, fisheries and forestry sectors of almost €3 billion next year.

The Minister for Finance set out the current harsh reality of our economic circumstances and the difficulties in the public finances and my Department, like all others, has had to adjust to cuts in the resources available. The Department's Vote for next year shows a net reduction of 11%. However, to a large extent, this is accounted for by a reduction in payments under the farm waste management scheme. I am pleased to report that spending on a range of areas, including the disadvantaged area scheme, agri-environment schemes, forestry and fisheries is being maintained at or very close to this year's levels.

Before I deal with a number of specific points, I want to comment briefly on the presentation of the Estimate for my Department which appears for the first time in a new format. In addition to the traditional subhead-by-subhead presentation, the 2011 expenditure is also shown across the Department's four strategic programme areas into which the various subheads are grouped. My Department is the first line Department to present its Estimate in this format. However, I expect that this form of presentation will become the norm in future. On this occasion, the traditional presentation is also included in the Estimate for comparison purposes.

I am particularly pleased that the Government and the Minister for Finance have provided the resources to maintain a number of important schemes and the disadvantaged areas schemes in particular at existing levels in 2011. These payments, which have been issuing from the Department in recent weeks for this year, make a very significant and increasingly important contribution to family farm incomes in the less-favoured areas.

On the important point of payments to farmers, I remind the House that every effort continues to be made to clear all payments due under the single payments scheme, which is EU-funded and does not appear in the Department's Estimate. Despite a substantial review of eligible areas, by year end, total payments will be well in excess of €1.1 billion, and I am remain committed to expediting all outstanding payments as quickly as possible.

We have also provided for an increase next year in agri-environmental schemes from €330 million to €337 million. REPS payments will continue at current rates and funding is provided in 2011 for those participants who joined the new agri-environment options scheme last May. This is a more targeted scheme than REPS and has proven very attractive to farmers, especially those who are out of contract under REPS. I am pleased that with the agreement of the Minister for Finance and within the financial ceilings set out in of the National Recovery Plan 2011-2014, I intend to re-open the agri-environment options scheme next year. As indicated when the scheme was launched in 2010, I intend to review the experience of the 2010 scheme before the launch again in the early part of 2011. Participation levels will be capped at 10,000 and maximum payment levels will be capped at €5,000. This level of participation is roughly equivalent to the number of REPS participants who are currently out of contract or whose contracts will have concluded by 15 May next, the date by which applications must normally be submitted for participation in any agri-environment schemes. This level of participation is similar to that which applied this year.

Funding of €119.8 million is being provided for forestry and bio-energy expenditure. While this represents a small reduction over this year's level, I am satisfied that this level of funding will allow new planting well in excess of 7,000 hectares in 2011, and is evidence of the Government's commitment to afforestation.

The fishing sector makes a critically important contribution to the economies of coastal communities and expenditure on fisheries at €19.3 million is essentially being maintained at this year's levels. Funding for food processing and aquaculture development is being maintained and while there is a small reduction in the capital allocation for fishery harbours, the funding will continue to make a valuable contribution to essential infrastructure provision. Funding will be provided through Enterprise Ireland, with the assistance of the Minister,

[Deputy Brendan Smith.]

Deputy Batt O’Keeffe, to many agrifood enterprises during the course of 2011. I recognise the huge success for the dairy industry of the announcement by Danone last Saturday of a €50 million investment. I pay tribute to my colleague, the Minister for Enterprise, Trade and Innovation, Deputy Batt O’Keeffe, my Department officials and officials in the Enterprise Ireland who worked tirelessly along with myself to ensure that investment came to County Cork.

The Estimate also provides substantial funding for investment in the future by way of capital investment on farms and in the food processing industry. The Minister for Finance has agreed that savings which are available in our Department’s Vote this year of up to €100 million can be brought forward into the current year to pay the final instalment of the farm waste management scheme, which was due to be paid early next year. By the time the final instalment is paid in full, well over €1.1 billion will have been paid under this scheme, all of which is Exchequer-funded. Apart from being a most welcome development for the farmers concerned, this greatly reduces the burden on the Estimate for 2011 for our Department.

The capital budget includes provisions of €19 million for the targeted agricultural measures, which are focused on supporting productive investment. The schemes include a new scheme for dairy farmers to adjust to expanding dairy opportunities, aid for sheep fencing and handling facilities and animal welfare grants for pig and poultry producers in the area of enhanced housing facilities. These schemes have been launched and will encourage and assist farmers and producers who are interested in developing their enterprises. A total of €35 million is again provided for marketing and processing grants to meet commitments made under the beef, sheep and dairy rationalisation programme. This is an ongoing commitment to the development of the food industry, which is fully in keeping with the aims and ambitions of Food Harvest 2020.

I am also pleased to announce that the provision for horticulture is being maintained at this year’s level.

An essential contributor to our future prospects, which was highlighted in Food Harvest 2020, is research and development and I am glad that expenditure in this important area is also being maintained at this year’s levels.

The 2011 Estimate also provides for bringing forward €32 million for the suckler cow welfare scheme into 2011 to ensure that the Department can make the 2010 and 2011 payments during the course of 2011. The practice has been to pay a year in arrears and the arrangement for 2011 is evidence of the Government’s commitment to the beef sector and will be a timely boost to those farmers who are determined to improve animal welfare and quality.

The State bodies make a major contribution to the development of the agrifood sector and, in aggregate terms, the funding which is to be provided in 2011 has been increased. However, I want to emphasise that this is not to say that the agencies under the aegis of the Department, namely, Teagasc, Bord Bia, the Marine Institute, Bord Iascaigh Mhara and the Sea Fisheries Protection Authority, will be exempt from cutbacks. All of the agencies will be obliged to reduce current expenditure and seek administrative savings and efficiencies. However, the Government has also had to provide for pension costs which must be met and, in the case of Teagasc in particular, this is an important issue. There will be a 3.3% reduction in the allocation in 2011- down from €59.3 million to €57.3 million for Teagasc.

Responsibility for the Horse and Greyhound Racing Fund transferred to the Department in May 2010 and funding of €57.29 million will be provided in 2011. This reflects the importance of the horseracing and bloodstock sectors, particularly in the provision and support of 16,000 jobs, many in parts of rural Ireland where alternative employment opportunities are limited. The Minister for Finance announced yesterday the Government’s intention to include pro-

visions in the finance Bill and to revise the Betting Act 1931 to apply betting duty to offshore betting, which will benefit the industry in our own country.

Substantial savings have been made in the Department's administrative budget and payroll costs in recent years and further significant savings are forecast over the period of the Government's national recovery programme from 2011 to 2014. The departmental staffing level will fall by approximately 240 this year and this rate of reduction is set to continue next year. I am determined to manage the business of the Department as effectively and as efficiently as possible and to ensure effective service delivery with ongoing reductions and staff resources.

I take this opportunity to pay tribute to officials in my Department working throughout the country. With reduced personnel they are still delivering services to the farming community and food sector in an exemplary fashion. We are to the forefront in having payments made in the most efficient manner throughout the entire European Union.

Deputy Johnny Brady: This budget is the first phase in the fundamental restructuring of the public finances in returning them to a sustainable position while maximising the economy's potential to grow and create jobs again. The main task of the Government has been to secure the best interests of the nation in challenging times. The Government has made hard choices and taken unpopular decisions in the interests of security and the well-being of our people.

I am glad the provisions of the budget protect older people as far as possible. Fianna Fáil has always worked hard to protect the elderly and vulnerable in our society. When resources were available we invested heavily in improving social welfare rates. Over the past ten years our social welfare expenditure increased from €6.7 billion to €21 billion. There has been no reduction in the old-age pension and the free travel scheme and household benefit package of allowances for a television licence, telephone, gas and electricity will be maintained at current levels.

As we all know, the recent freeze has had a serious impact on everybody and I am glad that a once-off additional two weeks payment of the fuel allowance, worth €40, is to be made to those entitled to it in the next few weeks. I also welcome that the half carers' allowance will continue to be paid to people who are full-time carers and who receive another welfare payment. The extra payment for caring for more than one person will also be retained and carers will also continue to get an annual respite care grant of €1,700 for each care recipient. The weekly carers' allowance rates for carers aged 66 and over of €239 will not be changed.

The agri-food sector is also protected in the 2011 budget, with measures recognising the key role to be played by the sector in driving the country's economic recovery. I welcome the promise to increase spending in the agri-environment schemes such as the rural environment protection scheme and the agri-environment options scheme, which will move from €330 million to €337 million. Spending on the disadvantaged areas scheme will be maintained at €220 million for the year.

Bringing forward the payment of the final instalment of the farm waste management scheme from early next year to this month is most welcome. This will be a boost to farmers and their families as they face into an expensive Christmas period. I am calling for the minimum delay in the processing of those payments. Additionally, the 25% stock relief for farmers and the special incentive stock relief of 100% for young trained farmers will be extended for a further two years from January 2011.

I welcome the measures to provide €32 million for the suckler cow welfare scheme in 2011 to ensure the Department can make the 2010 and 2011 payments under the scheme in 2011. Previously, the practice had been to pay a year in arrears. I am delighted the work of farmers has been recognised in the budget. As the Minister for Finance noted in his budget speech, our

[Deputy Johnny Brady.]

agriculture and agrifood sectors have been among the most successful areas of the economy during the course of last year. It is important we recognise the effort and bring forward measures to help consolidate the work during 2011. It is important to note that despite the many difficulties facing the economy, our farming sector and the elderly have been protected in the budget.

Minister for Enterprise, Trade and Innovation (Deputy Batt O’Keeffe): I am delighted to have the opportunity to make some remarks on the 2011 budget, particularly its impact on Ireland’s enterprise sector and the crucial innovation agenda. Yesterday’s budget strikes an important balance between achieving the necessary adjustment of €6 billion in 2011 and doing so in a way that ensures that we continue to invest in our two most important objectives, which are economic growth and job creation. The budget will see €508 million in capital spending alone dedicated to driving GDP growth through increased exports, more foreign direct investments and building our smart economy credentials via significant investments into research and development.

There is a critical point that must be made here, a point I believe has been lost in some of the rhetoric following the Minister for Finance’s statement yesterday. For example, the Labour Party stated that the Government has chosen a budget that will not promote economic growth and employment, and Fine Gael indicated last night that the budget fails the job creation challenge. I want to put an end to these false claims here and now.

As I stated, yesterday’s budget provides capital investment of €508 million for 2011, up from €480 million in 2010 and rising again to €558 million for the following three years. That is a clear and unambiguous investment of €2.2 billion in jobs and growth made by this Government through the budget. This multi-billion euro capital investment in growth and jobs is routed through my Department and its agencies, including IDA Ireland, Enterprise Ireland, Science Foundation Ireland and the enterprise boards. That is a point missed by Members opposite, as these enterprise agencies already support 82% of all exports, some 500,000 direct and indirect jobs, or around 30% of the entire work force in the economy today.

The investment we committed to yesterday in the core programmes of IDA Ireland and Enterprise Ireland is fundamentally important because it enables the agencies to win more global investments, grow exports and provide essential supports to help businesses improve their products and productivity. This is done for one simple reason, as it will deliver nearly 30,000 new jobs in 2011 just from the IDA and Enterprise Ireland client base alone, and 300,000 jobs altogether from the enterprise and tourism sectors, as well as food and agriculture, over the next five years.

There is a negative thread running through much of the commentary on both the budget and the four year plan for recovery. The thrust of this analysis is that Ireland is a growth taker, and that we can do nothing to stimulate GDP growth from our own endeavours as a people. I utterly reject that view. I accept that global trading conditions are important but it is equally true that the investment we make in enterprise will deliver GDP growth as well as jobs. I will outline the reasons. Ireland’s GDP growth will come via export growth. The client companies of IDA Ireland and Enterprise Ireland already provide €126 billion of the €153 billion in goods and services we export. When the Government commits €2.2 billion to the enterprise agencies we are, therefore, investing in jobs and growth and saying to the world——

Deputy Simon Coveney: It is not only a matter of spending money. That is part of the problem.

Deputy Batt O’Keeffe: —we can drive economic growth from within this country and be growth makers. We have the track record, talent, technology and tax regime to do so. I do not agree with the Members opposite who believe Ireland is merely a growth taker. This country is capable of much more than that. It has proved it is able to do more than merely hold its own among trading nations. While the rest of Europe was suffering a double digit collapse in exports — Denmark’s exports declined by 16%, Austria’s by 20%, Sweden’s by 24% and Finland’s by 31% — Ireland’s exporters were resilient and experienced a fall of only 4% in the teeth of a global recession.

The contribution of net exports to economic growth increased in 2009, with our agency supported exporters spending a staggering €38 billion on payroll and purchasing materials and services in Ireland. This is a key economic point that is frequently overlooked. By making our investments in winning foreign direct investments, growing indigenous exports and increasing research and development activity, we are not ignoring the domestic economy but investing in it also.

Along with direct investment in enterprise, there is one other critical aspect of how we are driving economic growth and job creation, namely, our continued strong investment in the smart economy. The development of a smart economy is a key component in the Government’s economic renewal plans. The allocation of €161 million to Science Foundation Ireland means an increase of €11 million for the provision for research grants. This increase will enable SFI to stabilise the number of researchers and research teams and strengthen industry collaborations. This is vital to ensuring Ireland will retain the excellent science base we have built over the past decade. It will also send a strong message nationally and internationally that the Government’s focus on driving the smart economy is on track.

The Government’s investment has been critical to IDA Ireland’s capacity to secure research and development related investments which run at €500 million annually. Five years ago foreign direct investment had a 10% research and development attachment. Today, this attachment stands at 50%. The IDA also supports indigenous companies reliant on knowledge for growth and job creation. In yesterday’s budget, Enterprise Ireland received €130 million for activity in the area of science, technology and innovation. This is an increase of €9 million or 7% on the 2010 level. It is an investment that will put Irish companies ahead by enabling them to develop the competitive edge that innovation delivers. We are ensuring we have the optimal business environment for innovation, exports and job creation.

The tax environment is also an important element. Budget 2011 successfully balances new taxation measures with the need to do least harm to the businesses that will drive exports, growth and jobs. While the budget measures will result in taxation contributing €1.5 billion to the overall €6 billion adjustment, this will be done in a way that is least harmful to enterprise. Our competitive 12.5% corporation tax rate will not change, our top marginal tax rates will not be disimproved and our tax wedge will remain internationally competitive.

The budget does more than confirm our commitment to investing in jobs and growth through exports. It provides for targeted stimulus measures, including the extension of the corporation tax exemption for small firms, the modernisation and extension of the scope of the business expansion scheme and tax changes to improve contractors’ cash flow. For instance, a withholding tax of 20% will apply to registered contractors in contrast to the 35% rate applied to non-registered contractors. The budget also extends the PRSI exemption scheme and car scrappage scheme, reduces the air travel tax and provides for energy efficiency measures. All of these measures will generate jobs and growth in the economy. Moreover, investment in the construction of schools and other infrastructure will continue.

[Deputy Batt O’Keeffe.]

The programme of activation measures set out in the budget will keep people close to the labour market and ready to take up the job opportunities that will arise as the economy recovers. The programme includes 15,000 activation places, reduces labour costs and provides for structural reform to incentivise people to take up employment. People will ask what is being done for the unemployed. Thousands of unemployed people are entering full-time third level education and thousands more are entering the VEC sector. In 2009, training supports were available for 65,000 people. In 2010, the figure was increased to 165,000 and we are making further provision for job placement in 2011. Specifically, we are making provision for graduates to gain nine to 12 months experience with multinational companies and other private firms. This initiative will ensure the programmes graduates have pursued are embellished with the experience they gain with private companies. Graduates and their parents will welcome this development. The Government will continue to address such issues as they arise.

While the budget is difficult, as Minister for Enterprise, Trade and Innovation, I am satisfied the Government has delivered the necessary investment to support Ireland’s enterprise sector, the engine for economic growth and job creation that will benefit every sector and town.

Deputy Michael Ring: Yesterday’s budget was savage. There is great anger all over the country today, as there has been for the past two years. People are angry with those who caused our current problems, namely, the Government, developers and banks. They are angry that the Government did not seek a mandate from the people for the budget or to bring in the International Monetary Fund. They want an opportunity to express their views on the Government.

Every Sunday one reads in national newspapers about developers such as Sean Dunne building holiday homes in the United States and other individuals who were involved with Anglo Irish Bank having a great time playing golf. We have not yet seen a banker, developer or anyone else guilty of wrongdoing brought before the courts. People are asking why those on social welfare must pay when developers and bankers are building holiday homes and having a great time as they laugh at Irish citizens.

The Government wonders why people are angry and are protesting outside the gates of Leinster House. They are angry because they do not see justice or fair play only the poor, the weak and the sick having to pay for all this. It is a disgrace.

Yesterday’s budget offered further dishonesty. For the past ten years, since I entered the House, the Fianna Fáil choir has been up and clapping the different Ministers for Finance, Charlie McCreevy and Deputy Brian Lenihan, who were singing and dancing about the great budgets we had. They told us about all the increases and good things in the budgets. However, yesterday the Minister, Deputy Lenihan, made the shortest speech ever made in this House. There was no detail in it. One had to go to accompanying documentation to find out what was happening. That is further dishonesty. People might have respected the Government yesterday if the Minister had admitted that as well as other cuts, the social welfare and health budgets were being cut but that was not what happened. There was talk about the future and the economy but nothing about what the Government was doing to the people. That is why people are angry. The Government still believes it is coddling the people of this country and taking them for fools. However, the people are not fools and are waiting for their opportunity.

This Government is finished and must go. Its sell-by date is past. That should have happened two weeks ago when what I will call the “Yellows” pulled out of Government. I would not call them “Green”. The “Yellows” should have called a general election on that day. Now they are talking about supporting a third Taoiseach. We already have one Taoiseach without a mandate but now the Green Party — or the “Yellows”, whatever one wants to call them — talk about

supporting a third Taoiseach. The people of this country want an election and want to give this Government a lesson it will never forget.

Yesterday's budget was a missed opportunity. There was nothing in it about job creation, nothing for small businesses. There was only hardship and by God, there is a great deal of hardship in this budget. Later, I shall have an opportunity to speak on the Social Welfare Bill and will outline our position on it. It is a sad day for the country. I never thought the day would come when the great republican party, Fianna Fáil, the "wrap the green flag around me party", would bring in the IMF, get rid of our sovereignty and our republic and hand them over. My grand-uncle and people like him had to die to get freedom for this country. Shame on Fianna Fáil and this Government. It should leave office and allow in a new Government that has a mandate.

Debate adjourned.

Visit of Foreign Delegation.

An Leas-Cheann Comhairle: Before proceeding with Business I wish on my own behalf and on behalf of the Members of Dáil Éireann to offer a Cead Mile Fáilte, a most sincere welcome to a delegation comprising parliamentarians from State Legislatures across the United States of America, as well as parliamentarians from the Republic of Rwanda and the United Kingdom. I wish you all a most pleasant visit to our country and hope it will be to our mutual benefit.

Financial Resolution No. 34: General (Resumed)

Debate resumed on the following motion:

THAT it is expedient to amend the law relating to inland revenue (including excise) and to make further provision in connection with finance.

—(The Taoiseach).

Deputy Simon Coveney: I am pleased to have some minutes to comment on the budget which was announced yesterday. The budget needed to try to achieve two aims. First, it had to make a serious impact on reducing our deficit problem. Fine Gael agrees that the figure required for that needed to be approximately €6 billion in the first year. However, the budget had to try to achieve that in as fair a way as possible. There is no fairness in making cutbacks and tax increases amounting to approximately €6 billion. There is no fairness in what is happening because essentially we are creating a debt for our children and grandchildren to pay because of our inadequacies as a State and the mistakes we made. If we are to secure funding for next year to put Ireland on a path to recovery, there is a need for a very serious adjustment in the way the State functions in order to close the gap between what we earn and what we spend.

Second, and perhaps more important at this stage after two very tough budgets, there needed to be a sense of hope and direction. If we are asking people to endure sacrifice and pain, reductions in income and increases in taxes, there must be another strategy in parallel to the deficit reduction strategy, which is about creating jobs and growth. As I listened to the Minister, Deputy Batt O'Keeffe, I was not inspired by what he had to say, namely, that we would continue to give money to our existing agencies in the hope that they will perform better than they did in the past. That is no longer good enough. We need to change the way we do things, for example, the way in which the public sector operates. We need to assess, examine and benchmark the way in which our agencies work. If they are not working we must change or abolish them. It is not only about spending money.

[Deputy Simon Coveney.]

However, when Fianna Fáil talks about budgetary strategy money is all it seems to talk about. We are either to spend more or to spend less but there is nothing about addressing the vehicle for delivery of the service, the way in which we structure the State and politics. Political reform is about reducing a Minister's or the Taoiseach's salary instead of addressing the way in which we make decisions in this House and the way in which Opposition parties are given resources to hold the Government to account in a proper fashion. We need to ask whether we need both a Seanad and a Dáil to pass legislation effectively and whether we have an electoral system that elects Deputies who are fit for national legislative work as opposed to looking after local issues within constituencies. None of those issues are even mentioned in this budget, never mind addressed.

In terms of the cutbacks made, there is neither justice nor the level of fairness people should expect. When one looks at the exceptions made to social welfare cutbacks one sees these were political decisions. There was a great deal of pressure by Fianna Fáil backbenchers for the State pension not to be cut and therefore it was not cut. My party agrees with that. However, it seems there was not sufficient political lobbying to protect carers, blind people, widows and the disabled. A decision was not taken to prioritise those areas in a political way. That is not acceptable.

A number of very vulnerable sectors rely on State-sponsored income to support their livelihoods and the Government should have protected those other vulnerable areas. It could have done so even in the context of this budget. My party priced the protection of widows, blind people, carers and the disabled as costing in the region €96 million. We also devised a plan of alternatives to make up that difference and published it last week. In typical fashion, the Government decided to ignore it.

In its four year strategy Fine Gael chose not to target child benefit. However, if the decision was taken to target that benefit it was immoral to cut the child supports of a person on social welfare to the same extent as the supports of a person who is earning €100,000, €150,000, €200,000 or €250,000 per year. If child benefit is to be cut it should be cut from people who can afford to do without it, not from those on the lowest incomes. There is no fairness or equity in the budget when family supports for children are being cut for families who are on €15,000 to €25,000. The cut for them is to be made to the same actual extent, never mind the percentage, as the cut to families where the parents are millionaires. That says a lot about the moral compass of Fianna Fáil.

I shall make a couple of points in regard to my area of interest, transport. The Government has made a big play of cutting from €10 to €3, per person per journey, the travel tax which we charge people for leaving Irish airports. The travel tax never made sense. It does not make sense to tax a person for the privilege of coming to Ireland when we are trying to attract millions of people here to spend their money, set up businesses, take holidays, stay in our hotels, eat in our restaurants and so on. We are taxing people for the privilege of coming here to spend their money. That makes no sense at €10 per passenger and it makes no sense at €3 per passenger, which will raise a miserable €30 million next year. If something does not make sense, we must get rid of it and find another way of raising money or cutting expenditure that makes sense. If we are serious about the tourism industry in Ireland, we need to make Ireland easy and cheap to access through our airports, whether regional or national. We do not need to charge or tax people for the privilege of coming here.

Deputy Deirdre Clune: Today, we see the devil of this budget is in the detail. As we examine it further, it becomes more apparent how unfair it is. I refer in particular to the tax increases on lower and middle income working families, who have been dealt an unfair hand. The budget

will hurt them and reduce their spending power, and it will suck money out of the economy that these people would have spent on small businesses, services in their communities and essentials for themselves. That money will not now be available to them, which has a negative effect on the economy.

The Government had forecast in the four year plan that 2011 would see a 1.75% growth rate but the budget undermines that prediction. Even before the Minister announced the budget, the European Commission revised that growth projection to 0.9% and the money the Government has taken out of the economy in terms of personal taxation will further reduce the growth rate. The combination of child benefit cuts, reduced tax credits, paying a higher rate of tax at an earlier stage and the universal social charge that now starts from an income of €4,000 will definitely impact more on low and middle income families than on higher earners. One need only look at all the tables and examples on offer to know that this position does not make sense.

With regard to social welfare, the €8 cut in widows' pension, invalidity pension, blind persons' pension and the carer's benefit does not make sense. These are people who cannot work and who may be in charge of young children. This is not the area the Government should tackle. Widows and carers are generally female and have not been able to add to their employment value because they are out of the workforce, so they are particularly hit by the €8 cut. The focus should have been on people who are fit and able to work. The grey area between the income from welfare and the income from work should have been tackled. However, the emphasis was on those who cannot work — on widows, those on invalidity benefit, blind persons and carers — which is unfair.

In the whole area of social welfare, there is no mention of tackling fraud, despite the recent "Prime Time" programme which estimated that between one in ten and one in seven social welfare benefits are fraudulently claimed. This would lead to a saving of €2.2 billion to €3 billion per year if it was tackled. A simple proposal such as the setting up of a fraud hotline could have been a step towards tackling this area. As part of our Reinventing Government proposal, Fine Gael has suggested a one-stop-shop to encourage rationalisation across all State sectors, including in regard to farm related payments, supplementary welfare allowance, medical cards, higher education, legal aid services and all such areas where there could be a means assessment provision. This could be done simply in a one-stop-shop. The Government could have done much in yesterday's budget instead of just focusing on the easy prey, which was its approach.

It was a disappointing budget in that it did not provide any sort of stimulus. A simple proposal such as reducing the lower rate of VAT, increasing DIRT, ensuring accredited capital allowances would go from eight years to three years and introducing a measure in regard to software purchases would have worked towards getting the economy moving. However, there was no imagination and no emphasis on ensuring money stays in the economy so the people can spend and contribute to growth.

Deputy Phil Hogan: There is no doubt the lower and middle income groups have suffered greatly and are now the new vulnerable sections of our community arising from the type of recklessness that has been brought forward by the Minister for Finance in the budget yesterday. The vulnerable have also taken the brunt of serious fiscal retrenchment, including carers, people on blind pensions, widows and disabled persons, who have all taken a hit. So much for the protection of the vulnerable. These people did not cause the problems of the country. They worked their way up along the line in order to fend for their families and their children. They worked hard and are now paying for the financial irresponsibility and policies pursued particularly since 2002 by Fianna Fáil-led Governments.

[Deputy Phil Hogan.]

It seems that in the Department of the Environment, Heritage and Local Government, the area I know best, Fianna Fáil has quickly taken its revenge on the Minister, Deputy Gormley, who, because of his sudden rush of blood to the head in calling a snap election, is now to suffer the largest cut of 27% in his Department's Estimate. This means that vital services, such as fire services, national parks and wildlife services and social housing, will suffer a massive cut of €300 million next year on the back of a huge cut this year. This effectively consigns a large number of our people to social housing lists for far greater lengths of time than should have been the case. No imagination is being applied to ensure we have the demand and supply of houses in the marketplace married with the social housing lists. Great attempts will have to be made in this regard because no direct funding is available from the Department of the Environment, Heritage and Local Government. Effectively, the Minister, Deputy Gormley's legacy in power after three and half years is that of the emasculation of the services of his Department, the considerable reduction of funding in regard to housing and local government and the virtual elimination and stagnation of the Department itself.

The other area about which I feel strongly is the failure of the Minister for Finance to recognise the serious hardship suffered by people who have escalating mortgages and reducing incomes, and who are, therefore, under huge income squeeze. There was no recognition of this in terms of increasing the mortgage interest relief by 30%, as advocated by Fine Gael. The alternative proposals put forward by Fine Gael would mean such people would also get some respite from having no income tax cuts in 2011. Instead, lower income earners are now suffering the institutionalisation of the income and health levies under the universal charge that was effectively legalised and made permanent by the Government yesterday. This charge will apply from an income of €4,000 upwards, and the income and health levies are now effectively permanent in the system.

The Government response to the crisis which is upon us with the advent of the IMF and EU is to hit the lower and middle income groups, to emasculate the services of local government and to introduce more stealth taxes and charges at local level. Its main priority in Dublin is to bring forward a directly elected mayor, which would create more charges for business and customers. We now know the Fianna Fáil-Green priority in local government is a directly elected mayor, another vanity project of the Greens. Unfortunately, the Minister, Deputy Gormley, has been let away with this but, equally, he has been punished by Fianna Fáil Ministers around the Cabinet table for the fact he called a snap election unilaterally some weeks ago.

Deputy Jimmy Deenihan: I wish to refer to various comments made by the Minister for Finance yesterday on "Prime Time" and also by other Government speakers with regard to Fine Gael's attitude to the public service. Fine Gael takes great pride in the public service. It set it up. Cumann na nGaedheal, when in power, set up the public service appointments commission that ensured continuity with the previous Administration. It ensured the best people were appointed and that we had the best civil and public servants in the world. Public servants serve this country very well.

My party set up the Local Appointments Commission. We have a very proud history in this respect. All we want is to see reform so we can save money, thus ensuring an efficient public service that will be an engine of growth and that waste will be eliminated. We start with ourselves. Our leader has proposed to abolish the Seanad. There is a rumour circulating that a referendum on this will be held by Fianna Fáil at the same time as the general election. Our leader has proposed to reduce the number of Members in the Dáil to 130.

The national recovery plan confirms that the patent royalty exemption will be scrapped. This has major implications at a time where we are trying to create an enterprising economy. The

exemption is one of the drivers of such an economy. I realise this because one company in Kerry has used it very effectively. It has been a significant driver of innovation and growth within many Irish companies and for foreign inventors resident in Ireland. The exemption scheme was very workable and drove both innovation and sales.

If a company developed a product and gained patent royalties as a result of the sale of that product, it meant the investors could receive a share of the royalties tax free. The abolition was signalled in the four year plan and the scheme has been abolished since 24 November.

A report on the research and development tax credit scheme, commissioned by the Department of Finance in 2007 and produced by Goodbody Economic Consultants, clearly states:

The Irish R&D tax credit scheme is less generous than that of some of Ireland's European competitors. In this context, the Patent Royalty Tax Exemption scheme must be regarded as substantial component of Irish tax-based support for R&D and one which helps raise the level of R&D tax-based supports in Ireland to that available from such supports across the EU.

The provision allowed for a payment of a dividend tax-free to the inventor subject to a maximum limit. The maximum limit was curtailed significantly in recent years. In addition to the exemption being important to indigenous companies, it was a significant reason some inventors chose to reside and pay tax in Ireland. It is for this reason that many research and development companies decided to come to Ireland.

Malta recently set up a structure similar to ours and introduced similar provisions. Other countries considered doing so also. For a saving of €20 million in 2011 and €15 million in a full year, we are now scrapping one of the major incentives for inventors to establish in Ireland. We talk about creativity and entrepreneurship, yet we kill one aspect of them in one fell swoop. This is ridiculous and the matter should be revisited. The incentive helped a company in County Kerry to do very well.

There will be major trouble over the adjustment to the section 23 relief. The decision in this regard will be contested in the courts because people who entered agreements under the section in good faith — I do not refer to the developers but to investors — will be badly stung. They budgeted for a period of ten years. The relief is being discontinued and this will mean many of the investors will go bankrupt. The decision will be contested in court. I am convinced the Minister will be hearing more about this. I am signalling this matter to the official present from the Department of Finance because it has major implications.

Deputy Seán Barrett: Let me quote an e-mail by a self-employed constituent of mine. It was also sent to my Government colleagues in my constituency:

As a self-employed constituent of yours can you please tell me the logic of increasing PRSI payments from the self-employed when the benefits we are entitled to are nil?

Add in reduced pension contributions relief, a new universal social charge, end of the PRSI ceiling, reductions in tax bands and credit plus increased security tax and I think you have got me in just about every way possible. And that is before I have to put up the VAT I charge my reducing band of clients!

Enterprise culture? You must be joking.

That sums up this budget. The individual is self-employed and summed up in one short e-mail what it is like to be starting one's own business in this country. One starts with a noose around one's neck.

[Deputy Seán Barrett.]

I was so disappointed by the con trick carried out in respect of the new universal social charge. I believed the Government would reform the whole PRSI system so as to specify clearly what one gets from one's contribution. Instead, the health levy and the income levy were added together permanently and put under a new title. What a con trick. At the same time, we have done nothing to reform the PRSI system, especially for those who should have a separate charge for a fixed rate of old-age pension. Everybody should contribute and there should be no non-contributory benefit. Everybody who starts work should contribute towards a fixed amount. In such circumstances, one could specify the health services and other benefits one would receive. Instead, we engage in another money-raising enterprise.

With regard to my portfolio of foreign affairs, I am extremely upset over the cut of €35 million to the overseas development aid budget. We signed up to a target of 0.7% of GDP, to be achieved by 2015. For the past two years, the Government has cut the budget. Some €35 million has been cut on those who are hungry.

The Government also made a big issue of signing up to the hunger target of 20%. The Minister for Foreign Affairs attended a UN meeting and sat beside the Secretary of State of the United States to sign up to the relevant agreement, yet the first effort to achieve this target resulted in the cutting of the budget by €35 million. If another couple of cent had been added to the price of a bottle of wine that same amount of money would have been raised.

There was a proposal to increase betting duty paid by bookmakers from 1% to 2%. This has been postponed. I regret this but note that legislation has been introduced to tax offshore operations that are not contributing anything by way of betting tax. I ask the Minister to increase the betting duty in shops from 1% to 2%. At present, a 1% tax is levied on the bookmaker. The easiest approach would be to levy 1% on the punter. One cent in the euro would produce an extra €38 million approximately for the industry. All betting operations, be they on-line or in exchanges, should be licensed. I hope the legislation will be introduced very shortly.

Let me outline the importance of the betting industry. Over 2,000 jobs were lost in the past 18 months as a result of the lack of funding in the industry. The Minister of State at the Department of Finance, Deputy Mansergh, will be well aware of this because he represents a constituency with a very significant racing and bloodstock industry. Most racecourses are facing financial problems. The number of foals produced has dropped from 12,500 to below 9,000.

For every three foals born there is one full-time job. Horse trainers are running into difficulties and the prize money for owners has dropped considerably. All race course developments have halted. We have an opportunity now for more employment and having jobs in rural communities throughout this country. I ask that the Government do something in the finance Bill to increase the levy from 1% to 2%. No punter would object to having to pay €1 in every hundred for placing bets. It will result in jobs in rural Ireland. It will restore the bloodstock and greyhound industries to their rightful places but most of all it will provide jobs in this country, particularly in areas where it is difficult to get employment. It will also retain our image as the leading bloodstock country in the world.

Minister for Community, Equality and Gaeltacht Affairs (Deputy Pat Carey): I wish to share my time with the Minister of State, Deputy Martin Mansergh, and the Minister of State, Deputy Mary Alexandra White.

An Leas-Cheann Comhairle: That is agreed.

Deputy Pat Carey: The Leas-Cheann Comhairle might let me know when ten minutes has elapsed.

An Leas-Cheann Comhairle: I will.

Deputy Pat Carey: Táim buíoch as an deis labhairt faoin ábhar tábhachtach seo. Agus sinn ag tabhairt aghaidh ar na dúshláin éagsúla atá romhainn, thar aon rud eile ní foláir dúinn dóchas a bheith againn. Ní féidir dóchas a bheith againn gan cinnteacht a bheith againn. Is dóigh liom go dtugann an mbuiséad seo an chinnteacht sin dúinn.

This budget faces up to the reality of the current economic situation. A vote for this budget was a vote to ensure that we have the money to pay for our vital public services in areas such as health, social welfare and education. These are the facts, and no amount of wishful thinking or political posturing will alter those facts.

As Minister for Community, Equality and Gaeltacht Affairs my primary concern in budget 2011, and that of my Ministers of State, was to make every effort to ensure that the daily front line services provided with funding from my Department were protected, especially those focused on the needs of the most socially deprived communities. This reflects my strong belief that the development of real and sustainable communities is vital to the social and economic fabric of our society. Every saving that can be made from cutting down on overheads will be pursued to ensure that the urban, rural, Gaeltacht and island communities we serve retain, to the greatest extent possible, the services that have been developed in partnership with them over the years.

Regarding the community and voluntary sector, the overall adjustment of 16% will apply to spending in the community and voluntary area. My Department will continue to prioritise front line services in the coming year. A total of €80 million has been provided to support the development of communities in this year's budget.

I want to pay tribute to all of those people the length and breadth of the country who not just in the past two weeks, but day in and day out, have worked might and main to make sure their communities are better and stronger. It was welcome to see the activities of communities, particularly in the past two weeks of very difficult weather conditions. It was encouraging to see those organisations that received modest enough funding from our Department contribute hugely to the great community effort that remains the hallmark of Irish society.

In order to protect the invaluable work being done at the front line by community and voluntary groups, my Department will begin a formal process of consultation with the sector in the new year. That is something I promised we would do and it is being done in consultation with them, and indeed at their instigation. The purpose of this structured dialogue will be to ensure that the impacts of any budgetary adjustments to the services provided by the sector are minimised. Far more important than the minimising of the budgetary cuts is that the shared objectives of all the partners in the community development process can be realised. It has happened successfully in other parts of Europe and I believe it can be done here.

The 2011 allocation of €80 million will continue to facilitate supports for communities through the local and community development programme, volunteering initiatives and the funding scheme for national community and voluntary organisations. I know the community and voluntary sector can continue to play a pivotal role in developing our communities and in protecting the most vulnerable members of our society.

In the past year there has been considerable debate among the community development practitioners in the country about the best way forward. I believe the new integration process

[Deputy Pat Carey.]

is bedding down well. I know it may require some further time to bed in fully and it is for that reason some additional time may be required in order for that to happen.

A new funding scheme for the key community and voluntary organisations will be advertised shortly. The three year scheme that is ending on 31 December was a very successful one. It has been evaluated and calls for proposals for funding from that particular budget head will be invited shortly and I am aware there will be the usual interesting mix of organisations who will be coming forward. On that note, I will be encouraging the greatest possible level of collaboration and co-operation between those organisations. It is happening already but I want that to continue and develop even further.

The seniors alert scheme, which supports older people to continue to live securely in their homes, will continue in 2011 following its successful introduction earlier this year. We will be making €2.4 million available next year to assist groups to purchase and install safety and security equipment in the homes of our older citizens. That is a larger figure than was made available this year.

A total of €33.8 million is being made available in the context of the National Drugs Strategy 2009-16. Of that, €32.8 million is current expenditure, with the remaining €1 million available for capital projects. I made it clear when I was appointed to this Department that I would seek to protect the resources devoted to supporting drugs task forces and delivering the national drugs strategy. The reduction in this area will be just over 1% this year. I am aware of the pressures faced by the sector given the level of reductions in recent years and I also recognise the very significant expansion of services during 2010. I want to acknowledge and thank all of those who have contributed to that particular process in the past year, certainly since I was appointed. There is a remarkable change in the level and diversity of service provision in the entire drugs task force area, and I believe that will continue. Next year we will be aligning the drugs strategy with a new alcohol misuse strategy, and I look forward to starting the implementation of that at the beginning of next year.

I am confident that the protection given in budget 2011 to the 480 community-based drugs projects funded through my Department will allow their work to continue in the next year. The Family Support Agency and the family resource centres, which are doing invaluable work the length and breadth of this country, will also continue with their programmes. The counselling and bereavement programmes which have been so successful and which are in such great demand will continue. They will be at a slightly reduced rate but they will continue to be available.

A total of €62 million is being allocated to the Leader programme in budget 2011. That is a significant increase on the original €40 million allocated in 2010. That will ensure that this programme continues to transform the social and economic fabric of rural Ireland. It clearly shows the Government's ongoing commitment to rural Ireland and the vital part it plays in the social and economic life of our country.

I had the pleasure of working with the 36 local action groups who deliver the rural development programme across the country. They have been very successful in disbursing significant financial resources to rural communities. It was a pleasure to be able to ask for a Supplementary Estimate of €8 million to be made available to them in recent weeks. The spend for 2010 has been increased to €48 million. I compliment the work those organisations are doing.

The projects funded through the programme directly address issues that impact on the social and economic fabric of rural communities, including the creation of employment and enterprise. It is expected that over the period of the programme 12,000 sustainable jobs will have been created as well as a significant number of spin off jobs. The way things are going at

the moment I have no doubt that the figure of 12,000 will be exceeded. Many of the groups are already providing valuable training opportunities in rural communities to increase skill levels to help the building of sustainable communities in rural Ireland. The programme also continues to fund the provision of the community halls and meeting places that are so vital to the social cohesion of rural Ireland.

Bhí an cur chuige céanna againn maidir le cúrsaí Gaeilge agus Gaeltachta. Nílím ag séanadh go mbeidh na ciorruithe dian, ach déanfar na seirbhísí is tábhachtaí — na seirbhísí duine le duine, nó túslíne — a chosaint. Mar shampla, tá an cistiú a chuirtear ar fáil chun tacú le seirbhísí ríthábhachtacha do phobail na n-oileáin á choimeád ag an leibhéal reatha de €5.7 milliún. Déanfaidh an cinneadh seo cosaint ar na seirbhísí farantóireachta atá riachtanach do phobail na n-oileáin. Ní bheidh ach laghdú beag de 50 cent ar an íocaíocht a fhaigheann mná tí na Gaeltachta faoi scéim na bhfoghlaimoírí Gaeilge. Leanfaimid ag déanamh forbairt ar na coláistí samhraidh, a bhfuil an oiread sin tábhacht ag baint leo. Leanfar chomh maith leis na campaí samhraidh agus scéim na gcúntóirí teanga. Beidh na scéimeanna seo riachtanach agus sinn ag féachaint chun cinn ar fheidhmiú an straitéis 20 bliain don Ghaeilge, a fhoilseofar go luath. Leanfar freisin leis an bhforbairt ar ché Chill Rónáin ar Inis Mór. Leanfar le forbairt ionaid pobail agus teaghlaigh ar an gCeathrú Rua i gConamara, i mBaile na Finne i nDún na nGall agus ar an bhFeothanach i gCiarraí.

Cuirfear cistiú os cionn €40 milliún ar fáil don Ghaeltacht agus do na hoileáin i 2011, €19.6 milliún d'Údarás na Gaeltachta san áireamh. Is fíor nach mbeidh an méid céanna acmhainní is a bhí ar fáil sa ghearrthréimhse, go háirithe ó thaobh airgead caipitil de. Mar Aire, tá mé agus tá an Rialtas bródúil as an infheistíocht shuntasach atá déanta agus atá fós á dhéanamh againn sa Ghaeltacht agus sa Ghaeilge. Mar a dúirt mé, tá laghdú tagtha ar mhaoiniú sa ghearrthréimhse ach níl aon mhaolú tagtha ar dháiríreacht an Rialtais maidir lenar sprioc líon na gcain-teoirí laethúla Gaeilge a mhéadóó 83,000 faoi láthair go 250,000 faoi cheann 20 bliain. Níl aon amhras orm ach gur féidir linn an sprioc sin a bhaint amach. Beidh impleachtaí ag an mbuiséad seo do chách. Ní chóir dúinn géilleadh don éadóchas. Níl an cath caillte. Tá mé cinnte gur féidir linn teacht slán ó na fadhbanna atá againn faoi láthair mar thír níos láidre agus níos cothroime.

Minister of State at the Department of Community, Equality and Gaeltacht Affairs (Deputy Mary Alexandra White): I am delighted to be able to speak on this year's budget and to talk about the budgetary allocations for which I have responsibility. I also want to speak briefly about my party's input into the budget.

There were no easy decisions, as everybody in this House knows. Every choice was made with acute awareness of how difficult these decisions will be for everybody in the country and they were taken with a heavy heart but with a full commitment to prioritising those most in need.

In the areas for which I have responsibility — equality, integration and human rights — I have worked hard to protect the necessary funding for the equality and integration framework. Our priority was to protect funding for the equality and rights bodies and I believe that the 2011 allocations — over €3 million for the Equality Authority, €1.46 million for the Irish Human Rights Commission and the 9% increase for the Equality Tribunal to €2.5 million — will ensure that these really important bodies can carry on their core work in promoting equality, combating discrimination and promoting, and, indeed, protecting, human rights. Indeed, last week I authorised €70,000 in funding from the Office of the Minister for Integration to the Equality Authority for a workplace diversity programme which the authority runs in conjunction with the social partners.

I have supported the equality and rights bodies' initiatives since I became Minister of State, be it the Equality Authority in launching a recent report into homophobic bullying, the Irish

[Deputy Mary Alexandra White.]

Human Rights Commission inquiry into the John Paul Centre in Galway, or the diligent work of the Equality Tribunal, in progressing cases of alleged discrimination and in conducting their work effectively at a time of increased cases over the past number of years. These are valued bodies, they do good work and I am proud of their ongoing commitment to a more equal Ireland.

The Office of the Minister for Integration will see a reduction, and this was a difficult decision. However, it will receive €4.18 million and the European Refugee Fund will receive €1.58 million. It has been a good year at the Office of the Minister for Integration with the establishment of the Ministerial Council on Integration, which has provided a forum for migrants to speak directly to me about how they feel about living and working in Ireland and any perceived discrimination or racism in our country. All four initial fora have now met and this institution will be a feature of the budget next year and in the years to follow.

On a good news story, next year I will be funding a migrant media interns project in which two migrants will be given six months' placement with local or regional newspapers to help local media document the experiences, issues and perspectives facing the migrant community in our country.

There was a positive response from local authorities to calls for funding proposals and I received proposals from local authorities which had not applied for funding in previous years. I am confident that local authorities, national organisations, sporting bodies and anti-racism initiatives which were funded this year will be adequately supported again in 2011.

I am pleased I have been able to protect funding for gender equality and Traveller support projects. My Department will still be providing over €0.5 million to national women's organisations. I pay tribute here to the National Women's Council of Ireland and Cúram for the voice they provide in progressing the agenda of gender equality in Ireland.

Recently, I met the Norwegian Minister for Defence, Ms Greta Faremo, whose reflections on gender equality were that experience proves that gender equality and full participation of women is a precondition for growth, development and peace, and those countries who neglect that need, pay for it by slowing down on their path to progress.

Deputy Kathleen Lynch: It is a pity there are not more in the Government so.

Deputy Mary Alexandra White: I agree with Ms Faremo that societies that fail to tap the full talents of 50% of their population are less likely to achieve political legitimacy, social cohesion and economic growth — the essential building blocks of peace. I am working hard to promote more women in politics and I will be launching an initiative on that shortly.

Deputy Pat Rabbitte: The Minister of State, Deputy White, had better hurry up.

Deputy Mary Alexandra White: I have plenty of time.

In times of economic difficulty focus has to be maintained on employment and enterprise supports. In this context the Equality for Women Measure funding, which my Department provides, has been fully protected. Some €2.42 million is being allocated for the gender mainstreaming subhead, which will fund the latest strand of the Equality for Women Measure, which is offering 1,800 women a variety of training and support options to enable them to prepare for employment, re-train, or start a business.

I care deeply about investing in supports for the Traveller community.

Deputy Michael D. Higgins: That is why the Government cut the education grants for Traveller children.

Deputy Mary Alexandra White: This community remains vulnerable, but I have given time and effort to engaging with representative groups and individuals throughout the year, and I am pleased that the equality monitoring allocation for 2011 will ensure current initiatives continue.

The funding of Traveller Focus Week and a very positive conflict mediation pilot project in the midlands will, I hope, also continue next year. The project has been successful in reducing conflict, which is beneficial to both the Traveller and the settled communities.

I want to make a few brief comments on the Green Party's input into the budget protecting the economy and the environment. We have fought hard to ensure that we protect education. Education is a vital investment in our children and the country's future. Talking to teachers right across the country, and, indeed, in my constituency of Carlow-Kilkenny, the one message I was hearing was, "Please do not increase the pupil-teacher ratio". I myself am a former teacher, and, indeed, the Minister, Deputy Pat Carey, is as well, and I am delighted to say that the pupil-teacher ratio has been maintained. It will give our children a great headstart in the years to come. When our economy comes out of this slough of despond the jobs will be there and we will have provided good education.

Deputy Seymour Crawford: Does the Minister of State expect us to believe that?

Deputy Mary Alexandra White: There also will be no cut in the number of SNAs or national education psychologists. I hope Deputy Crawford is pleased with that.

Deputy Kathleen Lynch: Did the Minister of State read the four year plan?

An Leas-Cheann Comhairle: Allow the Minister of State to make her contribution.

Deputy Mary Alexandra White: These are important statements to parents and students that a good learning environment for our children is something we value, and that we want all children to be able to access third level education. That is why I am delighted there is no return of third level fees.

Deputy Kathleen Lynch: I definitely recall in primary school being able to read.

Deputy Mary Alexandra White: Before I finish, I want to refer to the old age pension, which we have protected.

Deputy Kathleen Lynch: No, they have isolated it.

Deputy Mary Alexandra White: Many of our elderly have contributed to the State all their lives——

Deputy Kathleen Lynch: She is deluding them.

Deputy Mary Alexandra White: ——and rely on the old age pension. We have given them some peace of mind and security for the year ahead,——

Deputy Kathleen Lynch: For one year.

Deputy Mary Alexandra White: Some of the older pensioners, who did not benefit from the experience of the Celtic tiger years, some of whom may be infirm or suffering from poor health,

[Deputy Mary Alexandra White.]

now have the security of a pension that is protected, and I am proud of that. Particularly in the years ahead, we must ensure that they have that pension.

The economic stimuli in this budget are components which the Green Party, as a pro-enterprise party, is pleased to see in it. There is continuation of the corporation tax exemptions for start-up companies, incentives for the green economy — continuation of the accelerated capital allowance for energy efficient equipment, sustained funding for forestry, which, as I come from a rural constituency, I am aware is important for our farmers to tap into as a means of securing more revenue, and increased investment in home insulation grants — improvements to the business expansion scheme soon to be called the employment investment incentive, and significant capital spending in important areas like public transport and water services infrastructure. We in the Green Party recognise the importance of stimulating and developing our economy in a sustainable way.

Of equal if not of more importance than all other aspects of the budget I mentioned, leadership was shown in the steps taken on politicians' pay, car-pooling for Ministers and reductions in other ministerial utilities such as the Government jet.

Deputy Kathleen Lynch: Tandems.

Deputy Mary Alexandra White: These are small steps, but they are necessary steps. I am reminded of my old history teacher in the Ursuline convent in Waterford, the long-since deceased Angela McGrath. When we were struggling boarding students she used to quote Winston Churchill to us and she used to say, “never never never never ever give up”. We on this side of the House will not give up, to get things right for our country.

Deputy Seymour Crawford: Just take one step; that is the important thing.

Minister of State at the Department of Finance (Deputy Martin Mansergh): I will begin with a comment one would not normally make, but I think the convincing passage of the budget last night was very helpful for confidence wider afield in what we have to do to face our current economic and financial situation. It is encouraging that a marginally larger majority than might have been expected did recognise the realities facing this country and voted accordingly.

The aim of the budget was to be fair and to do the least possible prejudice either to growth prospects in the economy or to living standards, particularly of less well off citizens. Obviously, in the current situation if one is being realistic stimulus measures have to be extremely well targeted because there simply is not the large-scale funding for conventional forms of stimulus. Unfortunately, it has not been demonstrated so far in this debate that there was somehow an easier way.

We cannot expect, as a letter writer living in Germany suggested to *The Irish Times* on 1 December, to go on enjoying higher living standards on borrowings than exist throughout Europe. He referred particularly to the remuneration received by the professions in this country. De Valera famously said in 1932 that no man should earn more than £1,000 each year. Since the budget, the Taoiseach, President and judges will be on take-home pay of scarcely more than €100,000 a year. This should be extended not only to the semi-State sector, which has been decided in principle, but to all professions to the extent they are paid by the State. I suspect very few of the electorate realise that the take-home pay of Deputies, who are perceived as being very well paid, will be only just above €50,000 a year.

Social welfare payments are still well above the real levels they were until the very recent past. Unfortunately, we had overshoots in all directions in the boom years and these have to be corrected. It is painful for everyone concerned because practically everybody will have

become accustomed relatively quickly to the higher living standards and an adjustment downwards is never very easy but we have to do it if we are to be able to continue to borrow over the coming years until we correct our deficit to maintain the basic services described very ably a few moments ago by my colleagues on my right and left, the Minister, Deputy Pat Carey, and the Minister of State, Deputy Mary White.

Since I came into office in 2008, the Office of Public Works has taken a 41% cut in our gross expenditure, or a reduction from €681 million to €401 million. I am proud rather than ashamed that we have been able to make that contribution and I think we have managed to maintain most of our vital services, not always without difficulty. The services we provide have been extended. The formation of the national procurement service has a dual role to rationalise procurement and implement some of the savings decided by the Government through more efficiency and also to make the process more user-friendly through an outreach process, particularly to our small and medium enterprises. At the same time, it is unrealistic to think that procurement can be run on the basis of a pre-1958 economy — a type of protected Sinn Féin style economy. Small and medium enterprises have to be competitive and in terms of procurement they must also seek out contracts abroad.

With regard to flood risk management, in the aftermath of the November 2009 floods which hit the country, the Government allocated €50 million for capital spending on flood risk management activities for 2010. This allowed us to extend the number of capital work schemes already targeted and under way throughout the country in places such as Mallow, Fermoy, Clonmel, Ennis, Mornington in County Meath, Waterford City, Carlow Town, Johnstown in County Kildare and along the Dodder in Dublin. As a direct result of last November's floods, the OPW has commenced studies in Bandon, the lower area in County Cork and Claregalway in County Galway as well as funding a study of Skibbereen undertaken by Cork County Council and detailed design for a scheme on the Dunkellin River in Galway. We will also commence design work in areas including Carrigaline, Middleton and Ballymakeera in the next two months. Some of these will develop into full-scale schemes.

The 2010 allocation also allowed the OPW to increase funding to local authorities under the minor works programme. This programme, which I introduced in August 2009, targets minor or small-scale flood defence works undertaken directly by local authorities. Under this programme, a total of €16 million has been approved this year for local authorities for works and studies including minor works executed by the OPW, and further applications for funding are being received and assessed on an ongoing and rolling basis. In total, approximately 170 small-scale projects in 23 counties have been approved for funding this year. In allocating funds, my office continues to concentrate on areas where there is a substantial risk to human life, property and infrastructure. In addition to capital and minor works, the OPW is committed to the programme for the production and completion of catchment flood risk assessment and management plans, CFRAM, and associated flood mapping for all national catchments. The Lee CFRAM has already been published but it will be extended. It will mean additional targets for the OPW being included in multi-annual budgets as various recommendations arise in the coming years.

I am pleased to state the allocation in the 2011 budget for capital flood relief work is €45 million including carryover. This reflects the very keen and competitive tender prices currently available in the market and is sufficient to enable the OPW to continue with its planned flood risk management programme to the benefit of many communities and businesses throughout the country. I am very proud that in the past couple of years we have been able to ramp up substantially our flood protection and defence programme, but this will need to be carried on for at least the next ten or 15 years by our various successors in Government.

Deputy Pat Rabbitte: I wish to share my time with Deputies Michael D. Higgins and Kathleen Lynch.

An Leas-Cheann Comhairle: Is that agreed? Agreed.

Deputy Pat Rabbitte: I entered the Chamber during the speech being made by the Minister of State, Deputy Mary White, and feel bound to say that there reaches a stage where, if language has no meaning, debate is very difficult. The Minister of State's main claim for her time in Government and for the budget is how they protect education. If there is one thing this budget does not do, it is that it does not protect education. I am amazed that anybody on the Government side of the House could make such a claim. Some 1,200 teachers are to be taken out of the system, Youthreach is to be cut, fees are to be implemented for post leaving certificate students, fees are to be introduced for school transport and an unspecified number of psychologists are to be removed from the system. The Minister of State suggests that is protecting education.

I have had occasion to visit Senior College Ballyfermot a number of times, a college with many bright, enterprising, exciting, innovative young people. They are there because they have a thirst for education and because their parents could not afford to send them to orthodox third level education. What has been done now? We have imposed a fee on them. Therefore, I do not understand how the Minister of State can make the claim she did about her area.

Deputy Mary Alexandra White: The Deputy obviously does not listen to his union friends.

Deputy Pat Rabbitte: In the area of the Minister of State beside her, Deputy Peter Power, some €35 million was cut from the ODA budget. Let us at least have our discussion on the basis of reality.

Deputy Mary Alexandra White: What about class sizes?

Deputy Pat Rabbitte: I am prepared to accept what the Minister of State at the Department of Finance, Deputy Mansergh, said about the great progress he has made in ramping up flood relief. I am not in a position to challenge that and I am willing to accept his word on it.

Deputy Mary Alexandra White: We have delivered on class sizes. The Deputy cannot answer that.

Deputy Pat Rabbitte: However, it is very sad to see what has happened to education in an economy that needs to invest in education.

I have expressed the view previously that when the history of this remarkable period is written, the Opposition will be indicted for having made an error with regard to the motion of no confidence that was to be moved a few weeks ago, when the drift seemed to be demoralising the people and there appeared to be no progress. The reason the Opposition refused to proceed with the motion was that we were told a four year plan that was critical to the future was about to be published, that the IMF was at the door and it was necessary to bring in a budget. So it has transpired. Yesterday, we listened to the Minister for Finance and to his little history lesson yesterday, which was entirely at variance with the facts, to such an extent that one doubts the truth of how all of this period has been presented.

First, the Minister told us that things were turning around until some malign influence got its hands on the economy during the month of August and that as a result things started to whirl out of control. The Minister arrived at the Fianna Fáil think tank and, for the first time, said the €3 billion settled on looked like it would not be enough. There was uproar as a result,

but before one could say Jack Robinson, a sum of €6 billion became the matter of fact new orthodoxy that had to be taken out of the system. Anybody who thinks that in our small economy €6 billion is somehow an abstract figure will know once he has read the budget what exactly it means for ordinary citizens the length and breadth of the country, both employed and unemployed. The ESRI expressed its open disquiet about what removing €6 billion will do to our economy and I am reliably informed that the IMF was of the view that €4.5 billion would have been more appropriate.

What happened is that the €6 billion was the last throw of the dice in order to fend off the markets. That is why the figure of €6 billion was brought forward. As far as the Government was concerned, if the IMF was to come into Ireland, it was not to happen until the new Government was ensconced, but then Chancellor Merkel made her statement at Deauville and that brought everything forward by a number of months. The result is that the IMF came in anyway and the four year plan was published and we were told it was a great work of creativity by the Government. Frankly, I do not believe any of that. I believe the plan was being worked on by Brussels and that the preparations were being made for the intervention of outside assistance long before that. It went on for weeks. This four year plan is a creation of our new masters and the Government acquiesced in it. Now we are stuck with it. The Government had put the €6 billion into the public arena and could not pull it back. We are now stuck with the €6 billion, notwithstanding the view of the IMF.

What happened then was that the ECB called a halt because it had enough of the voracious appetite of our banks for liquidity, based on borrowings that no longer had collateral backup that was acceptable to it. The result, notwithstanding the attempts by the Government to stave off the day until a new Government came into office, was that the IMF came into the regime, in a fitting final chapter to the lifetime of the Government. It is like the revelation by the Minister, Deputy Gormley, under pressure last Saturday. I find it beyond belief that since 29 September 2008, Minister after Minister on that side of the House has lied about the circumstances in which the guarantee was arrived at. The Minister, Deputy Gormley, said that it was decided at a Cabinet meeting on the Sunday and that the Taoiseach and Minister for Finance agreed the details on Monday night. The Taoiseach said it was discussed on the margins of a Cabinet meeting on Sunday and was decided on the Monday night. Which was it? Does the Government any longer know what the truth is?

If we could be misled about something as big as the guarantee, how can —

Minister for Tourism, Culture and Sport (Deputy Mary Hanafin): On a point of order, I presume that if somebody is being accused of telling a lie, the person is, therefore, a liar. That term is not allowed to be used in the House and I ask for it to be withdrawn.

An Leas-Cheann Comhairle: The precedent refers to if an individual is accused and I was checking that. I did not hear anybody being individually accused of telling lies. I heard “Ministers” being accused.

Deputy Mary Hanafin: I beg the Leas-Cheann Comhairle’s pardon, but the Deputy referred to the Ministers over there on the bench, which directly accuses those Ministers sitting here on the bench.

An Leas-Cheann Comhairle: Allow the Chair to explain. It is a fair point. The Deputy knows that he is not allowed in the House to accuse identifiable people of lying.

Deputy Kathleen Lynch: It is a bit rich to get sensitive about being called a liar.

Deputy Pat Rabbitte: I withdraw the imputation against any individual as I do not want it to distract from the point I am making, which is that for two years the Ministers over there, including Minister Hanafin, in whose mouth butter would not melt, told us that the bankers arrived at the gates of Government Buildings after the markets closed on Monday and the two Brians were railroaded into the decision that was made. Now we have the Minister for the Environment, Heritage and Local Government, Deputy John Gormley, telling us the decision was made the previous day at a Cabinet meeting. One can call that “untruths”, “misleading the House” or whatever one likes, but it is what happened.

The result — this is why there is grave concern about what has happened — is that what has happened has put the successor Government, whatever its composition, into a straitjacket. For example, if one looks at the framing of the Financial Emergency Measures in the Public Interest (No. 2) Bill which is to be taken tomorrow, it makes this quite plain in its citations. The Government is bound by the agreement entered into with the EU, IMF and the European Financial Stability Facility, just like its successors will be bound by it notwithstanding the fact that it did not have the guts to bring it before the House for a vote of approval.

As the limited time left to me does not permit me to speak about the treatment of carers and widows, I will confine my remarks to the Taoiseach’s criticism and misrepresentation of the Labour Party’s position on income tax. In misrepresenting our position, he conveniently forgot to tell the House that our income tax proposals would have cost an additional €870 million in full year. The Government’s proposals will cost €1.2 billion in a full year.

Deputy Peter Power: Last Friday Deputy Rabbitte claimed the figure was €2.5 billion.

Deputy Pat Rabbitte: That is a figure for total tax not income tax.

Deputy Peter Power: What other taxes will the Labour Party introduce?

An Leas-Cheann Comhairle: Allow Deputy Rabbitte to continue.

Deputy Pat Rabbitte: We have outlined them in our document, from capital gains tax and acquisitions tax——

Deputy Peter Power: List them on the record of the House.

Deputy Pat Rabbitte: The main ones are the property based tax incentives and the huge pension pots. The Taoiseach tries to claim the Labour Party’s tax proposals are an attack on the working man. I do not know many working men who are concerned about their section 23 write-downs, capital allowances or huge personal pension pots.

Deputy Peter Power: That will not amount to €1.8 billion.

Deputy Pat Rabbitte: I suspect the Taoiseach is well aware that he completely misrepresented our position, even if one ignores the universal social charge. That charge will discriminate against the lowest earners in our society, who are already hit by the minimum wage. The 6% of people being dragged into the tax net for the first time will be subject to the universal social charge once they earn more than €4,000 per annum. The charge also discriminates in favour of the highest earners.

Deputy Michael D. Higgins: I welcome the opportunity to speak about the budget and the context in which it was presented. It is important that we address rather than evade the consequences of this budget. That it proposes an adjustment of €6 billion even while the interest

bill on our borrowings is €5.1 billion as a result of adding the problems in our banking system to the deficit and current borrowing tells one a great deal.

It is important to be truthful about what has failed and the origin of the difficulties in which we find ourselves immersed. They are not the problems of a functioning real economy, which thankfully is still in prospect. They are entirely the consequence of the irresponsible gambling that passed as banking. They were exacerbated by a failure of governance and a moral irresponsibility that will forever stain the reputation of professions such as auditing and accountancy, which were formerly regarded as operating to inviolable standards. I refer to the signing off of accounts. The failure of the State flows from the Secretary General of the Department of Finance through the Governor of the Central Bank and the Financial Regulator. At some stage we must be able to assure the public that we are moving into a new culture of regulation, responsibility, accountability and transparency.

Deputy Noonan referred this morning to simplistic notions of right and left. It is simply a fact that the regulation with a light touch advocated by the former Minister for Finance, Mr. McCreevy, and the light regulation described by the neoliberals of the Chicago school are concepts which come from the right. It is rare that one hears an argument from the left in support of deregulation or such light regulation as makes the destruction of the banking system possible. Deputy Noonan may not acknowledge it but there is a difference between the left and the right. The left recognises the social, the case for redistribution and the cohesive power of redistribution in establishing citizenship. The right, however, makes its case from the perspective of radical individualism and usually expresses itself in the Reagonomics of advocating that individuals' should be permitted to decide how they spend their money. That is the origin of the disaster in which we find ourselves and the result was an ugly, greedy, ostentatious and uncultured kind of expenditure. It is interesting to observe how the right reacts. I am sure the Minister of State at the Department of Foreign Affairs, Deputy Peter Power, was as appalled as I by the suggestion that we should not pay a penny in overseas aid until we balance our budget, which was made to *The Irish Times* by a distinguished Irish entrepreneur and philanthropist. This scandalous suggestion totally ignores the damage speculative gambling has done to Ireland's reputation. Our reputation has been saved by our overseas development aid programmes and peacekeeping operations, as well as by our writers and those who put genius into the version of Ireland they have delivered abroad. The damage to our reputation was done by professional people who lacked morals and bankers who lacked ethics.

The Labour Party is often asked for its suggestions. The issues to which Deputy Rabbitte directed our attention were discussed at a recent seminar organised by the policy institute at Trinity College Dublin to launch a report, Ireland's Tax Expenditure System: International Comparisons and a Reform Agenda, co-authored by Micheál Collins and Mary Walsh. Anyone who reads the report will note its estimate of the annual cost of Ireland's tax expenditure, including the property related expenditure to which the Minister, Deputy Hanafin, referred. As this expenditure is contracted over several years, the cost in tax foregone will continue beyond next year. There was a choice in this, however. The Government could have closed down the allowances immediately or else suspended them until 2015.

The total cost of maintaining the current allowances for the blind, widows and carers is €90 million. Before the sensitivities of Government Deputies start firing on all cylinders, they should ask themselves how it is republican to make the blind, those on invalidity benefits and carers suffer the consequence of actions of those involved in the banking sector. The estimated cost of the expenditure is set out in table 2 of the policy institute report. The OECD's figures on the top ten countries for tax expenditure as a percentage of GDP are set out in table 4 of the report. The figure for the United Kingdom is 8.651% but Ireland is close behind at

[Deputy Michael D. Higgins.]

5.642%. One might have begun by investigating the impact of the various tax expenditures on the general structure of taxation. The Trinity paper quotes from the OECD paper of 2010.

Aspects of tax expenditures can cause the resulting complexity of the whole to exceed the sum of the complexity of the parts, in public perception as well as reality. As legal provisions, regulations, instructions and forms are piled upon one another, the body of tax wisdom needed to navigate the system can grow beyond the capacity of many non-experts. The marginal added provisions, even if they do not apply to a particular taxpayer, obscure that taxpayer's field of vision of what he or she needs to know. From a simple systems perspective, the potential interactions among additional tax expenditures could grow geometrically as more are added.

The Trinity paper gives the example of the Irish seed capital scheme, designed to refund prior tax paid by unemployed taxpayers to enable them to set up as self-employed, "which requires navigation skills to chart 52 pages of complex legislation".

If the Government said, "Look, we are in a tough place", it could, then, look at the place from which the great defects in the structure of tax and the economy began, which is among the people who have been taking the benefits.

Let me go back to the consequences of taking €8 off the meagre blind pension, for example. The way to judge that is to look at the consequences of taking that proportion out of a person's disposable income. On radio this morning with the Minister for Social Protection, Deputy Ó Cuív, I said the issue is that every cent of these low incomes is accounted for. The sum of €8 is not what counts but what it means as a proportion of disposable income. Then one places it side by side with the additional costs and then one considers a dependant in the household.

I watched the Minister for Finance respond to these kinds of arguments made by people like me. He said, "Look at the small number of people who are paying most of the tax". Let him realise that they are paying the tax because they are able to pay it and are in a position to do so. They are not a precious group of people whose sensitivities are so great that they cannot be asked to pay more. The other side of the issue, as the Trinity paper shows, is that they have a large raft of loopholes and hundreds of quasi moral professionals advising them on how to milk them. It is not the people on the blind pension, invalidity payment or the minimum wage, or any of those who are now to be dragged into the tax net, who have enjoyed all of these perks. The high earners and high taxpayers are the people who wined and dined with bankers, who were sending out messages to the public saying they were under-borrowed.

We in the Labour Party have been asked where we stand. Let us hear it from the two larger parties also. Is it that they want to go back to that space, from 2000 onward, from which they departed, or are they willing to move to a new space in which they will have new structures and new versions of professional accountability eliminating different kinds of tax concessions and so on? We will answer that question. That is what is in our publications, but let us hear it from the Government party when they reply to the debate.

Deputy Kathleen Lynch: This is probably the most unequal and unjust budget I have seen in my time in this House. We know the reasons for this. A widow under 66 years of age will lose €8 from her payment. I have never understood why younger widows are discriminated against in this way. My sister was widowed at the age of 34 and left with six children. Why was she not entitled to the household packages, when she needed them far more than those who had their families reared? I do not begrudge social welfare to anyone. It is so little and so difficult to live on.

There is a saying in Cork that one never sees the poor at sales. That is because they do not have that spare money the rest of us have to get a bargain, because all their money is accounted for. The €8 that has been removed from their income this week is €8 out of the €20 that is put away every week for gas and electricity. There will be cutbacks. These people will not be outside the gate. They will cut back on food, heating, clothing and on the luxuries, little as they were, that they had.

I want to talk about a group of people who are, somehow, not mentioned. When legislation is said to be in the national interest, it is as if this entire group of people are not part of the nation and do not figure in the national interest. This is the group of people I come from, among whom I grew up and lived and whom I still visit every weekend of my life. It is the working class, who have been convinced, since the foundation of the State, that they are, somehow, not as worthy. They are less worthy. They will take their €8 hit and be grateful for the little they will get. This nationalist State — not this Republic — calls upon these people when times are good to go and work and sustain the economy, and when times are bad it is their fate to be unemployed and to be treated like this by the Government. The nationalist State has convinced them that they are not worthy. They are the people whose schools do not get the resources given to schools in other areas. Their children do not get the education they deserve and need, and they are convinced that this is their lot in life.

I listened to Deputy Mary White tell us about equality. She has fallen into the same middle class trap as others in this regard. Equality is not just about gender. It is about class, finance, education and health. If Deputy White produces a Bill that will allow more women to be elected to the Oireachtas, I will be the first to congratulate her. My only aim in life is to have more women in positions of power so that we can deal with the deep inequalities in Irish life and convince people in areas where there is true deprivation that they are worthy and should get a better deal for themselves. They should demand a better deal for themselves.

Some €8 is to be taken off a blind pension or from a carer's allowance. The carer's allowance is an anomaly within the social welfare system. It is the only social welfare payment for which one must work. Carers must work seven days a week——

Deputy Michael D. Higgins: And 24 hours.

Deputy Kathleen Lynch: ——and 24 hours a day. To tackle the deep inequality in this country we must convince working-class people that they are as good as anyone else and should not accept the type of treatment the Government has meted out to them. They are not there to go to work when times are good to sustain the economy. They are worth far more than that. Their children are as good as anyone else's children but the Government does not recognise that.

There is a privileged elite in this country. This elite does not even have great amounts of money. It has access. It also has privilege, which the people I know, live with and grew up with will never have, and they are in awe of it.

James Connolly said, "The great only appear great because we are on our knees. Let us arise."

Minister for Tourism, Culture and Sport (Deputy Mary Hanafin): I would like to share my time with Deputies Billy Kelleher, Christy O'Sullivan and Finian McGrath

An Leas-Cheann Comhairle: Is that agreed? Agreed.

Deputy Mary Hanafin: There is no doubt that yesterday's budget was a tough budget and that everyone in the country will feel the brunt of it. However, at 7.30 this morning in minus 5°, as my team and I stood outside the DART station in Dún Laoghaire, giving out information

[Deputy Mary Hanafin.]

leaflets about the budget, I was struck by the hundreds of people who were going about their daily lives, going to work and education and getting on with things. They are the people who will help to lift this country. By their commitment to themselves, their work, their families and their children they will ensure that the country will turn around, the economy will be lifted and the opportunities that some of the rest of us have got will be there for them as well.

It did not matter that it was cold and dark; they wanted to take the information to plan their future and to find out how to adapt their living circumstances for their families. It was very much with a sense of, "I am getting on with my job, now you get on with your job." I fully appreciate the work they do but sometimes we forget about the 1.8 million people who are working and we forget about the 1 million people in education. They are getting a top quality education and the qualifications to enable them to have a future here. It is to help to protect those people that the Government has introduced this budget which, undoubtedly, is difficult. There is no easy way to take €6 billion out of the economy. The only way to do this is to take it from each of the different sections and Departments. It is with a heavy heart that one cuts social welfare payments. Nobody wants to do that. However, in balancing the different elements, one realises that even though it was necessary to cut the carer's allowance, the two elements the carers fought really hard to keep, the respite care grant and the half-rate carer's allowance, were preserved. Increased funding has been put into disability services this year. This measure was not announced in the House yesterday because it was not possible to announce all measures in the time allotted. Additional funding has gone into the home help packages. If money is not taken out of payments, it would have to be taken out of the services. People who require a great deal of support and health care prefer to have access to the services and the professional health care services than to be given a payment, although I accept it is difficult to have the payment taken away.

The same is true for people who are working and will now pay more taxes. The fact that the tax is being front-loaded for this the first year of the four year plan at least will give people some hope as regards knowing what they will have to pay not only next year but that a further burden not of the same degree will be placed upon them for the future years.

I will speak about areas within my Department's remit. For many weeks some people have argued that funding to the arts and sport should be reduced but the Government appreciates the value of those areas as much as it does tourism, the other element of my Department. Each of the three areas has a value in society and each of them has become crucial for Irish communities, small and large. Each of them is very valuable for the economic contribution they make to the country. The cuts in my Department reflect the value we place on each of those areas. The tourism marketing budget has effectively been kept but with a small reduction. However, this reduction does not affect the core marketing activities of Tourism Ireland or Fáilte Ireland. This means we can attract extra visitors to this country and with a particular focus on the convention centre, on business and on golf and activity holidays. We hope to market the country in new and imaginative ways in partnership with the airlines, ferry operators and tour operators who are all very enthusiastic. They have welcomed the package of measures introduced for the tourism industry in the budget, not least of which was the reduction in the air tax to €3 and the additional incentive offered by the Dublin Airport Authority. I have had meetings with the airlines and with the tourism industry at which everyone raised the issue of the air tax. It is hoped to see a positive response to this reduction from the airlines by way of their proposals to carry more people into the country. This could have a beneficial effect. A significant budget has been allocated for tourism along with the new facilities and investment in capital infrastructure. I am quite satisfied that we will meet our targets for next year which

by 2014 would lead to 8 million tourists coming to the country and supporting an additional 15,000 jobs in an industry which already supports 190,000 people working all over Ireland.

The allocation of almost €150 million for the culture sector shows a real commitment to arts and culture in our society. The day-to-day expenditure for the arts is down just 3.8%. Organisations around the country were very concerned that their value would not be appreciated and that their funding would be slashed but this has not happened. This is because the Government recognises that people in this area are already working for very little and they make a significant contribution to national culture and creativity. They help give young people other outlets for their energies and their desire to participate. The funding for the Arts Council will help to support 50 different venues around the country, 200 festivals and 400 arts organisations. I welcome the fact that recent research has shown that 2.3 million adults here participate or attend arts events, theatre, art galleries, classical music performances, opera, dance performance, and so on. This illustrates the vibrancy of a sector which is well worth supporting as the Government has done in this budget.

I refer to two other areas which were not mentioned yesterday but which require to be recognised. The artist exemption is a tax relief that could have been abolished along with so many others. However, because of the value we place on our artists, writers, sculptors, photographers, and so on, we have kept the artist exemption but reduced it to €40,000. That sum covers almost 80% of the artists in the country who will continue to benefit. The first €40,000 earned is completely exempt from tax. This was a very important statement about how Ireland regards the cultural sector. The second tax relief was one which could have been abolished, the section 481 investment for film and television productions. This will remain because of the value for employment and its effect on the number of film productions being attracted into Ireland which in turn sends out a positive message about the country. We are providing funding for our cultural institutions and for initiatives next year such as Dublin Contemporary and for the expansion of Culture Night throughout the country and Culture Ireland and Imagine Ireland in the United States for which specific funding will be made available to showcase Irish artists.

The area within my Department's remit is sport. It is very easy to suggest slashing funding to sport but sport plays an increasingly important role in communities where people have more time on their hands than they would like to have. It has also seen a resurgence in volunteerism in communities. We continue to support sport through the Irish Sports Council, the swimming pool programme and the sports capital programme. We continue to support the volunteers, the clubs and the major sporting organisations. This Government genuinely values all aspects of Irish society and despite the tough budget and the difficult decisions that had to be made, it tried to make it as fair and as balanced as possible without losing sight of our national values.

Minister of State at the Department of Enterprise, Trade and Innovation (Deputy Billy Kelleher): I welcome the opportunity to speak on this budget for several reasons. We are all aware of the challenges facing the people and the country. This budget is a first instalment in an attempt to address that difficulty. We must all acknowledge that this budget which is taking money from the vulnerable, will cause pain and difficulties for those people. Equally we must acknowledge the need for an honest debate. We cannot deny that this country is in a parlous state on a number of fronts. First and foremost is the difficulty with the budget deficit and a shrinking economy that has left tax receipts much lower than anticipated for several years. Equally we have the issue of recapitalisation of our banks to try to stimulate credit flow through the economy to encourage the broader investment required to expand the economy again. Those two factors put great pressure on any government formulating a budget.

[Deputy Billy Kelleher.]

Some of the comments from the other side of the House have been disingenuous for several reasons. Most people are conscious that social welfare supports those at the lower end of the socio-economic groupings and is something this party has continually supported in recent years in good times. I am very proud of what our party has achieved in government. There appears to be air-brushing of history as if we never made any strides in supporting those who are vulnerable, carers, those with disabilities and those on State pensions. No Minister for Finance would lightly come to the House and publish a budget with a reduction in social welfare payments. However, if we do not pass the budget and bring forward a four-year plan, we put at risk everything we have achieved to date. As a country and a society we have achieved a considerable amount. It behoves all of us in highlighting the difficulties and acknowledging the problems we are facing to come up with proposals and ideas to address those difficulties as opposed to outlining in broad brush terms that the Government has somehow failed people and society.

The issue of the bank guarantee and the Government support for the banking institutions in 2008 have been continually bandied around the House. While it has been continually discussed, people will not acknowledge that the reports by Professor Honohan and Messrs. Regling and Watson have indicated clearly that a substantial bank guarantee was required in September 2008 for a number of reasons, primarily that the banks were in danger of imminent collapse. People seem to believe the bank guarantee was introduced just to support the banks as if the Government had another choice. It had no choice on the night other than coming in to guarantee depositors and senior bondholders simply because the banks would not have been able to access money the following morning in the markets and as everyone knows if a bank runs out of money it leads to a systemic collapse of the broader economy. Members of this House should be honest about that matter. I acknowledge it was a very difficult decision to make but at least any independent analysis of it should accept the reports of Professor Honohan and others who were brought in to evaluate and adjudicate independently whether it was the right decision.

Deputy Seymour Crawford: He also advised that the Government was wrong.

Deputy Billy Kelleher: Inherently it was the right decision.

As a member of Fianna Fáil I am hurt over the accusation being bandied about by the Opposition that somehow we guaranteed Anglo Irish Bank because it was a Fianna Fáil bank. If we are to believe that, why did Deputies Noonan and Bruton, who are blue-blooded Fine Gael people, invest in Anglo Irish Bank? Why did they purchase Anglo Irish Bank shares if they knew it was a Fianna Fáil bank?

Deputy Seymour Crawford: That is outrageous.

Deputy Billy Kelleher: If we are to address the underlying challenges facing the people, let us have an honest debate here. We all know we need a budget adjustment over the next four years of approximately €14 billion and this is the first instalment of €6 billion. I accept it will be very difficult on the people, but if anybody can show me an easier path out the difficulties in which we find ourselves, I will gladly take it on board. Unfortunately to date we have heard polar opposite views from the Opposition. The potential Fine Gael-Labour coalition should be called the Fine Gael-Labour collision because they are on a collision course on everything discussed in this House and yet they claim a coherent story is coming from the Opposition.

Deputy Michael D. Higgins: There are honest differences.

Deputy Billy Kelleher: There are certainly honest differences, but I do not think——

Deputy Seymour Crawford: What about Fianna Fáil and the Green Party? Fianna Fáil bends over backwards for the Green Party.

Deputy Billy Kelleher: ——they can be compatible.

Deputy Seymour Crawford: They have destroyed the country and should not start lecturing us.

An Ceann Comhairle: The Minister of State is in possession.

Deputy Billy Kelleher: I am not lecturing anybody; I am just highlighting perceived differences between the Opposition parties.

Deputy Seymour Crawford: We saw Fianna Fáil bend over backwards to keep the Green Party on board.

An Ceann Comhairle: Deputy Crawford, who is normally a well behaved Member of the House, is now becoming disorderly.

Deputy Billy Kelleher: I am as entitled to say it in this House as anybody else is. Equally I am entitled to defend our position as a political party and a Government. I find it very disingenuous for people to consistently——

Deputy Michael D. Higgins: Will the Minister of State acknowledge the Government was misled by the banks? The banks lied to the Government.

Deputy Billy Kelleher: That has been highlighted to the Deputy.

Deputy Michael D. Higgins: I thank the Minister of State.

Deputy Billy Kelleher: To consistently air-brush what our political party has achieved over many decades of service to the country is totally unacceptable and I am entitled to defend my position on that.

Regarding how Ireland can address the underlying difficulties, I accept that we have a budgetary difficulty that is very challenging — not for the Government that can make these decisions but in the context of the impact it will have on people's lives, including those on social welfare, those who have lost their jobs and those in fear of losing their homes. It must be acknowledged that the four-year plan has been published and supported by the European institutions and the IMF. For people to suggest that we have surrendered our sovereignty is simplistic and undermines the sheer reality of what faces the State. It would be completely irresponsible for any government to propose a budget on 7 December knowing it could not fund it when the State's cash reserves run out in June or July 2011. We have a duty as a Government and as a Parliament to at least acknowledge that the State is now funded for several years and can get on with dealing with the serious challenges that face us. Equally we are able to fund the services the Government has build up over many years.

We have had a very difficult time as a people. Most parliamentarians come in here with genuine beliefs and want to represent the views of their constituents. However, we also have a duty to ensure that there is a positive image that gives hope to the people. While I accept the people are shattered at this time, we can certainly get through the crisis with leadership and

[Deputy Billy Kelleher.]

by facing the challenges in an honest manner and at least being up-front and showing what the Opposition would do or what we would do if returned to government. People need to have this honest debate.

The Government has invested enormous amounts in social welfare, education and health. However, in the area of economic recovery we have invested vast sums — and will continue to do so — in promoting indigenous companies and in attracting foreign direct investment. It behoves on all of us to send out a positive signal that Ireland is still a country with positive fundamental aspects. It has a very well educated and flexible workforce — while some people might argue it is too flexible, Deputy Higgins and I can have that argument another time. Given these two factors coupled with investment in infrastructure, it is still a country where we can attract and are attracting large levels of foreign direct investment. Whether in opposition or in government everybody in this House who recently endorsed the 12.5% corporation tax rate should send out those positive messages. The damage that some of the discourse is having on Ireland is unacceptable. For the sake of everybody, let us have honest debate and be up-front with people while at the same time meeting the challenges in a positive way as opposed to continually promulgating doomsday scenarios.

Deputy Finian McGrath: I thank the Minister of State, Deputy Curran, for providing me some speaking time. I also thank the Minister, Deputy Hanafin, and the Minister of State, Deputy Kelleher, for sharing their time. The true character of a democrat is to always allow Members of this House to air their views. It is a pity some of the other political parties do not share my views on democratic rights, but that is a debate for another day.

In regard to the budget, I have always said that I would listen to the Minister for Finance, read the small print in the budget and then decide how I would vote. I also judge it on how the Government treats people, especially those who need our support at this difficult time. I agree with the Minister of State, Deputy Kelleher, that we need honest debate. However, on examining the details of the budget, I am appalled by the decision to cut €8 from the income of those on welfare, including those who have already suffered by losing their jobs. The cut of €10 in supplementary welfare allowance, which is the safety net for many poor people, is shameful. The decision to cut child benefit without compensating children depending on unemployed parents is beyond all belief. The minimum wage cut will not save the Government a single cent and will not reduce Ireland's borrowing requirement. That, to me, is honest debate. There is no evidence that such a cut will create a single job but there is ample evidence that it will increase poverty and hardship for many families. In some cases it will mean that people at work will be worse off than those who have lost their jobs. This, in itself, will create a further call for cuts in welfare and deeper impoverishment of large sections of our communities.

Let us have an honest debate and these are the honest facts. The measures in the budget will impart a severe deflationary shock to the economy such that it will make it very difficult for the country to recover. It will condemn us to a prolonged slump lasting up to perhaps ten years. The consequences of this for a whole generation of citizens are almost unthinkable. The reason I have such a pessimistic view is that I believe recovery cannot be achieved by austerity alone and I repeat that in this debate. Growth is needed to do the heavy lifting of adjustment and to expand the size of the economy so that the scale of the debt problem is proportionally decreased.

In regard to the budget and people with disabilities, yesterday's cut means that people on disability allowance are down €847.60 a year since 2008. An €8 per week cut in the disability allowance was announced in the budget. This on top of an €8.30 per week cut last year, amount-

ing to a cut of €16.30 per week in only two years, which represents a fall in benefit from €204 to €188 per year. It has been proven time and again that there are extra costs associated with having a disability.

There has also been a cut in the carer's allowance of €16.50 per week on the 2008 rate, bringing it down to €204 per week. These cuts are at variance with the national disability strategy which is often spoken of in Government circles. We should not penalise the disabled, the blind and the sick for the actions of the bankers. That, to me, is honest debate and it is important to have such honesty.

On a positive note, I welcome the fact that the salaries of the Taoiseach, the Tánaiste and Ministers will be reduced, that there will be a maximum salary of €250,000 for those in the public sector, including State agencies, that there will be no reduction in the State pension and an additional payment of €40 will be paid to households that receive the fuel allowance payment.

I met a group of senior citizen in Coolock today and while they were relieved that there will be no cut to the State pension——

An Ceann Comhairle: The Deputy has gone way over time and his colleague is anxious to contribute.

Deputy Finian McGrath: ——they were disgusted about the shenanigans in the banking sector and the wealthier parts of the society.

This budget is unjust and it is not about fair play, hence my rejection of it.

Deputy Maureen O'Sullivan: I thank my colleague for sharing his time with me and facilitating me in having this opportunity to contribute.

We are facing massive economic problems and no one should even consider trying to down play or minimise them. We must be realistic about the fact that austere measures are needed but what must be acknowledge are the difficulties and frustrations facing those who had no hand, act or part in the current disastrous financial situation and the terrible sadness that all of this could have been avoided. It is frightening to think that we will spend more on the annual repayments than on funding our health system and education.

One point that is accurate is a statement in the recovery plan that tax and expenditure measures will negatively affect the living standards of citizens in the short term, but I ask which citizens will they affect? This is where the plan and the budget are fatally flawed. It may pass some economic tests but not the political one which requires support from the people. The poorest are being asked to take cuts and what I find most appalling are the cuts to be imposed on those with disabilities, both mental and physical, and their carers. We know that there are extra costs for those living with a disability.

Social welfare cuts will have disastrous effects on many families and individuals. We are in the closing month of 2010, the European Year for Combating Poverty and Social Exclusion and yet the current crisis has already seen more people driven into poverty. There are significant elements of the plan and budget which instead of lifting people out of poverty will push them further into poverty and social exclusion. With the higher rate of tax having stayed the same, there is little evidence that those who have more will pay more.

The plan refers to maintaining investment in education and we know that one of our major assets is our educated people. I am glad that the school building programme is being sustained and I hope that Gaelscoil Bharra in Cabra will finally get its building. Yet there is a massive

[Deputy Maureen O'Sullivan.]

reduction in student grants, the grants that are needed to keep people in education, especially those from lower socio-economic groups. There are also cuts in resources and literacy programmes, yet we continue to fund private education and education quangos.

The uncaring attitude towards those on the minimum wage is matched by the arrogance in total refusal to even consider an increase in corporation tax, which suggests that we have been turning a blind eye to the way this country has been a semi-fraudulent tax haven for major international companies dodging paying their legitimate taxes in their own countries — even a small increase in the tax charged to those international companies could have been made for them to make a contribution here.

I acknowledge that the budget has attempted to start at the top with a cap on salaries but it is not enough and, more importantly, I want to know if this provision will come into force now in respect of the obscene salaries of €300,000 plus and double and treble that amount? Will the bonus payments be eliminated, will the expenses payments be at least halved and what about the payments for serving on boards made to people who already have hefty salaries and who serve on a number of boards?

Irish people would buy into a recovery plan if it was fair and equitable and if the pain and the sacrifice were shared equally and were proportionate but, unfortunately, it is not and there are many people in Ireland tonight who are not suffering unduly because of this.

Deputy Mattie McGrath: I said last night that I was ready to support this budget and I believed it to be in the best interest of this State. I do not want to play politics with this decision——

Deputy Ulick Burke: The Deputy must have had a conversion.

Deputy Mattie McGrath: ——unlike my colleagues across the floor of the House. Possibly the political thing to do would be to reject the budget, but I do not believe the interests of the people I represent would be served by putting politics before conscience.

It is my priority to get the ECB and the IMF out of Ireland——

Deputy Paul Kehoe: The Deputy is not as smart as Deputy Lowry.

Deputy Mattie McGrath: ——and the only way I can see us doing that is to straighten out our finances. We have to get our house in order.

Deputy Paul Kehoe: That is some job.

Deputy Mattie McGrath: We could be looking at a scenario where we would not have the funds to pay our public servants in March or April next year if we did not adopt this budget.

Deputy Paul Kehoe: I thought the Deputy was meeting the Minister.

Deputy Mattie McGrath: There are elements in the budget that I welcome. I have had a number of meetings with the Chief Whip, the Minister of State, Deputy Curran——

Deputy Paul Kehoe: The Deputy was downgraded. Deputy Lowry got to meet the Minister.

Deputy Mattie McGrath: ——and with the Minister for Finance, Deputy Brian Lenihan. The Deputies opposite will get an opportunity to contribute.

I am happy to see that some of my policies have been incorporated in yesterday's budget, including the commitment for 15,000 additional employment activation places, the employment and investment incentives for the financing of SMEs and the tax relief for home improvements. The capping of maximum pay rates is a welcome step, although it is not low enough, and I want it to be pursued relentlessly. The quangos must also be dealt with. We cannot pussyfoot around these issues; we have to deal with them.

There are a number of other issues, including that concerning subcontractors. The Bill dealing with subcontractors or the tax change in this area will help to create jobs. There is also the matter of a number of Bills to be brought before the House before our colleagues get the opportunity to go to the public so that we can all be judged on our standpoint. We badly need to get the Bill dealing with subcontractors——

Deputy Ulick Burke: Is the Deputy back in the fold again?

Deputy Mattie McGrath: ——and the Student Support Bill through this House as well as many more Bills. I will back on board as long as I consider issues are fair——

Deputy Ulick Burke: Which of the new leaders will the Deputy back?

Deputy Mattie McGrath: The Deputies opposite sought more pay all along the way in recent budgets. The Deputies opposite sought to ensure that people got more pay, more quangos and more people serving on boards.

Deputy Michael Ring: We will never be as big a hypocrite as the Deputy.

Deputy Mattie McGrath: All they wanted was their own people serving on boards.

Deputy Michael Ring: The mighty mouse in the constituency is up here.

Deputy Mattie McGrath: We will see what their commitments are. I will not be lectured by some of my colleagues across the House.

(Interruptions).

Deputy Mattie McGrath: I welcome the change in regard to ministerial cars and other such changes. We have to tackle the lard. We went after the minimum wage which I do not believe was right but we must tackle the waste, bring down the maximum wage and enforce the provision in that respect religiously.

Debate adjourned.

Message from Select Committee

An Ceann Comhairle: The Select Committee on Environment, Heritage and Local Government has completed its consideration of the following Supplementary Estimate for public services for the service of the year ending 31 December 2010: Vote 25.

Social Welfare Bill 2010: Order for Second Stage

Bill entitled an Act to amend and extend the Social Welfare Acts; to repeal the Health Contributions Act 1979; and to provide for related matters.

Minister for Social Protection (Deputy Éamon Ó Cuív): Tairgim: “Go dtóghfar an Dara Céim anois.”

Deputy Michael Ring: On a point of order, I oppose the Order for Second Stage.

An Ceann Comhairle: I should explain that the Minister formally moves the Order for Second Stage.

Deputy Michael Ring: I oppose the order. It is outrageous because this is the most important Bill to come before the House in the past number of years. This time last year the same thing happened.

An Ceann Comhairle: I will explain to the Deputy.

Deputy Michael Ring: I could make my point and the Ceann Comhairle could make his explanation then.

An Ceann Comhairle: It would help for me to explain first. The Deputy’s contribution would be tailored as a consequence of having heard my explanation. This is a narrow procedural motion and cannot lead to a full debate on the Bill at this time. If the House agrees the motion we can move to the Bill.

Deputy Paul Kehoe: We do not agree to it.

An Ceann Comhairle: The Deputy would have ample opportunity at that stage to vent his frustration and put his feelings about the matter on record.

Deputy Michael Ring: We are opposing the taking of the Bill on the basis that our Members will not get enough time to discuss it. Backbenchers want to speak on it and are very upset because the time slots are inadequate. It is being guillotined by the Government despite the fact there are serious issues in the Bill that we need clarified. The Minister and Government should not guillotine the Bill as we want to give every Member on both sides of the House opportunity for discussion. We will oppose the taking of the Bill.

Question put.

The Dáil divided by electronic means.

Deputy Paul Kehoe: As a teller, under Standing Orders, I propose that the vote be taken by other than electronic means to give the Deputies opposite an opportunity to vote with the Opposition and oppose the savage cuts in social welfare which so many of them spoke against on local radio this morning. I am offering them an opportunity to vote with the Opposition.

The vote will proceed.

Question again put: “That Second Stage be taken now.”

Question put:

The Dáil divided: Tá, 80; Níl, 73.

Tá

Ahern, Bertie.
 Ahern, Dermot.
 Ahern, Noel.
 Andrews, Barry.
 Andrews, Chris.
 Ardagh, Seán.
 Aylward, Bobby.
 Behan, Joe.
 Blaney, Niall.
 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.
 Curran, John.
 Dempsey, Noel.
 Devins, Jimmy.
 Dooley, Timmy.
 Fahey, Frank.
 Finneran, Michael.
 Fitzpatrick, Michael.
 Fleming, Seán.
 Flynn, Beverley.
 Gogarty, Paul.
 Gormley, John.
 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.
 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.
 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.
 Barrett, Seán.
 Breen, Pat.
 Broughan, Thomas P.
 Bruton, Richard.
 Burke, Ulick.
 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.
 Doherty, Pearse.
 Doyle, Andrew.

Durkan, Bernard J.
 English, Damien.
 Feighan, Frank.
 Ferris, Martin.
 Flanagan, Charles.
 Flanagan, Terence.
 Gilmore, Eamon.
 Grealish, Noel.
 Hayes, Brian.
 Hayes, Tom.
 Higgins, Michael D.
 Hogan, Phil.
 Howlin, Brendan.
 Kehoe, Paul.
 Kenny, Enda.
 Lynch, Ciarán.
 Lynch, Kathleen.
 McCormack, Pádraic.
 McEntee, Shane.
 McGinley, Dinny.
 McManus, Liz.

Níl—*continued*

Mitchell, Olivia.
 Morgan, Arthur.
 Naughten, Denis.
 Neville, Dan.
 Noonan, Michael.
 Ó Caoláin, Caoimhghín.
 Ó Snodaigh, Aengus.
 O'Donnell, Kieran.
 O'Dowd, Fergus.
 O'Keeffe, 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.
 Wall, Jack.

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

Question declared carried.

Social Welfare Bill 2010: Second Stage

Minister for Social Protection (Deputy Éamon Ó Cuív): I move: “That the Bill be now read a Second Time.”

Last month, the Government outlined, in the national recovery plan, the blueprint for a return to sustainable growth in our economy. In particular, it sets out the measures that will be taken to restore order to the Government finances, and specifies the reforms the Government will implement to increase employment and accelerate economic growth. The plan is necessary to bridge the gap between Government expenditure and revenue which is currently filled by borrowing. Unless the rate of borrowing is reduced, the burden of debt servicing will take up an increasing proportion of tax revenue. This would mean that expenditure on vital schemes and services, such as those provided by my Department, would become increasingly unsustainable.

My Department currently accounts for approximately 38% of the total gross Government expenditure and therefore it is not possible to stabilise and reduce public spending without impacting on the Department's budget. Accordingly, the plan provides for significant reductions in expenditure by my Department over the next four years.

These will be achieved through the following: reduction in the live register through economic growth; more intensive labour force activation measures designed to help people get back into employment and therefore reduce live register costs; enhanced control measures in order to better direct expenditure only to those who need it; major structural reform of the welfare system in order to rationalise and simplify supports available to people of working age and to ensure there is always an incentive to take up a job; and through such reductions in rates of payment as may be necessary to ensure that the overall savings targets are met.

From my Department's point of view, our focus will be on enhancing the Department's current fraud and control measures to try to make the bulk of our savings there, on our labour activation measures, which would lead to a reduction in the live register, and on structural reform. If we can make substantial progress in these key areas, reductions in individual rates of payment can be limited over the period of the plan.

Budget 2011 is the first step in achieving the goals of the recovery plan. This will involve an €873 million reduction in expenditure by my Department. Even after this reduction, expenditure by my Department will still amount to €20.62 billion in 2011. As Minister for Social Protection, I am fully aware that the expenditure changes in this budget will affect the living standards of many citizens in the short term. However, if we put off these changes, there will be a much greater burden in the future on those who can least bear it, including people with disabilities, families with children, the unemployed, carers and pensioners. I assure the House that the Government, in the context of a very tough budgetary environment, has done its utmost to protect the most vulnerable people in Irish society. These savings for 2011 will be achieved through the following: greatly enhanced control measures; proactive labour activation initiatives, including the introduction of a brand new community work placement programme called Tús operated by my Department; structural reform measures designed to deliver more effective income and housing supports in a sustainable way; and reductions in rates of payment.

Before I detail the areas where changes are being made, I would like to outline the supports which are being fully maintained at their current levels, so as to provide reassurance to people who had been concerned that they might be cut. Similar to last year, we have been able to maintain pensions and other payments to people aged over 66 at current levels. This includes payments for pensioners' dependent spouses who are aged under 66. This means that approximately 490,000 people aged over 66 are being fully protected in this budget. Extra allowances which are paid to pensioners who live alone and those who are aged over 80 will continue at their current rates.

I have preserved welfare supports for pensioners generally as I believe that all pensioners are entitled to a minimum level of guaranteed support by the State. For many pensioners, social welfare pensions, be they contributory or non-contributory, are their only source of income and most do not have the ability to earn. However, pensioners who can afford to pay towards the economic recovery will contribute through the changes in the taxation system which were announced by my colleague, the Minister for Finance, yesterday.

A number of valuable other payments have also been fully maintained. These benefit not alone pensioners, but also people with disabilities, carers and all on low income regardless of age. These include the household benefits package, which includes the free television licence, electricity-gas allowance and telephone allowance, as well as the free fuel and free travel schemes. The half-rate carer's allowance scheme and the extra payment for caring for more than one person are retained as well as the respite care grant at its current value of €1,700 per annum. The half-rate illness benefit and jobseeker's benefit payments for widows or lone parents will also remain. The current payment arrangements for lone parents and people with a disability who participate in community employment schemes are also being retained without change. The family income supplement scheme, which benefits lower income families with children, is also unchanged.

Bearing in mind the recent bad weather, I am also providing for a special once-off additional two weeks payment worth €40 of fuel allowance. This will be paid to most recipients in the next two weeks, with the remainder of recipients getting this payment in early January. This payment will cost approximately €14 million.

Deputy Ulick Burke: Is it worth the Minister's while splitting it?

Acting Chairman (Deputy Charlie O'Connor): The Minister should proceed without interruption.

Deputy Éamon Ó Cuív: Unfortunately, it will be necessary in this budget to introduce a rate reduction in working age payments from January 2011 in order to produce the necessary savings

[Deputy Éamon Ó Cuív.]

required in 2011. While there have been some increases in inflation in recent months, consumer prices are back at April 2007 levels and we have managed to maintain the payment rates for all aged 25 to 66 in 2011 at rates higher than those paid in 2007. No reduction is being made to the qualified child rate, which will remain at current levels. In addition, the reduced rate of €100 per week for jobseeker's allowance recipients aged under 21 is also unchanged.

Accordingly, the rates of payment to those aged under 66 are being reduced by €8 per week or an average of 4.1%. Increases for qualified adults on working age schemes are being reduced proportionately. This will bring the personal rates of jobseekers' payments, one-parent family payment, illness benefit and associated schemes in 2011 to €188 per week or €2.20 per week in excess of the rate which applied in 2007.

The Bill provides for the new lower rates of payment for people of working age. The Bill also provides for a reduction of €10 or 5.1% in the weekly rate of supplementary welfare allowance. The qualified adult allowance for a spouse or partner will reduce by 4.1%, or €5.30 in most cases. The rates of maternity benefit will also decrease by €8 per week.

Even taking into account the reductions that were applied in 2010 and 2011, the Government has delivered unprecedented increases in welfare rates since 2004. Over that period, jobseekers' payments, disability allowance and one-parent family payment have increased by 39.5% while the cost of living has increased by 11.8%. The Government appreciates that reductions in rates will be difficult for people but we also know that if action is not taken now, we risk putting social welfare payments at greater risk in future.

As I said, the weekly rate of supplementary welfare allowance will be reduced by €10 per week or 5.1%. Supplementary welfare allowance is normally paid to persons who are awaiting entitlement to another welfare payment. The rate of payment for the rural social scheme and community employment scheme will be revised in line with the changes in social welfare rates and will become €208 for a single person.

Issues have been raised in regard to blind pension, invalidity pension, disability allowance, widow's-widower's pension and carer's benefit. I have looked at the issue of disability in detail since I came into the Department of Social Protection. I accept there is a need for long-term reform in regard to payments for people with disabilities that is much more tailored to individual situations and levels of disability. I will continue work on this agenda for as long as I am in the Department. To exempt all of these from the rate reduction would have meant exempting approximately a further 260,000 people. The effect of this, in order to achieve the same savings, would have required a cut of €11 per week in jobseeker's personal payments and €18.30 per week for a couple. It must be remembered that people on disability allowance are also entitled to the full households benefits package, free travel pass and a companion pass, where appropriate. These are worth approximately €20 per week.

Disability allowance, blind pension and invalidity pension are paid to over 150,000 people at present. I have huge empathy for people with disabilities who have no capacity to work.

Deputy Ulick Burke: The Minister has a funny way of showing it.

Deputy Éamon Ó Cuív: It is urgent that we would develop a system to allow us to differentiate between various levels of disability in a way similar to the partial capacity scheme coming before the Dáil in the Social Welfare (Miscellaneous Provisions) (No. 2) Bill. This would allow for differentiated payments based on the level of disability and for a more nuanced approach based on people's individual need. However, within the current schemes and within the time-frame I have been in the Department, it has not been possible for me to bring such a proposal

to fruition. I will continue to work on this and believe it is important that whoever is in the Department would bring this idea to fruition and make it a priority.

I will now turn to supports for children. Between 2000 and 2010, the monthly rates of payment for child benefit increased from just €53.96 for the first child and €71.11 for the third and subsequent children to €150 and €187, respectively. In the same period, overall expenditure on child benefit grew from just €638 million to approximately €2.2 billion per year. As a result, approximately 10.6% of gross social welfare spending in 2010 was on child benefit.

This Government is proud to have been able to deliver such significant increases in payments to families when the resources were available. However, in the current economic environment, we cannot afford to keep spending at the same level as we did when our tax revenue was much higher. In that context, we have decided to reduce overall expenditure on child benefit.

In considering the various options for making savings in this area, we were conscious that the payment can be an important source of income for all families, for different reasons. Accordingly, the Government has decided against withdrawing child benefit completely from any family.

From January, the lower rate of child benefit which is paid in respect of the first and second child is being reduced by €10 to €140 per child per month. The payment for the third child is being reduced by €20 to €167 per month. This is still €27 greater than the payment for the first and second child. The payment for the fourth and subsequent children is being reduced by €10 to €177 per month, €37 more than the basic payment for the first and second child.

I appreciate that cuts in child benefit will be difficult for some families. However, it should be recognised that the payment will still be very generous compared with that in other countries and that the Government is making a substantial contribution towards child care provision, including the continuation of a free pre-school year.

As I have stated, the qualified child increase payable with welfare payments is fully maintained. The domiciliary care allowance, paid to parents and guardians of certain children who are ill or who have a disability under 16 years of age, is also unaffected, and the family income supplement and back-to-school clothing and footwear schemes are unchanged. The arrangement for multiple births, of twins and triplets, is also unchanged. The changes in these payments to those on social welfare bring levels back to those that obtained in 2008. For those not in receipt of a child dependant allowance or the family income supplement, the level has returned to that of 2005.

My Department will be initiating a number of reforms to the rent supplement schemes in order to generate savings of €60 million in the next year. These reforms include entering discussions with the Department of the Environment, Heritage and Local Government with a view to aligning more closely the minimum contribution payable by household couples with that paid by equivalent households under the local authority differential rent scheme; reviewing entitlement of people who refuse local authority housing; the reduction of payments made to landlords with a corresponding reduction in rent limits, where appropriate; and increased control activities through efficiencies arising from the transfer of the community welfare service staff to the Department of Social Protection.

The introduction of a €2 differential between the rate of basic supplementary welfare allowance and other schemes from January 2011 will generate over €10 million in savings in the rent and mortgage interest schemes. These will arise as entitlement to rent and mortgage interest supplement is based on the weekly rates of supplementary welfare allowance. Pensioners, carers and people on supplementary welfare allowance will not be affected by this change. Following these reforms, it is estimated that the rent supplement scheme will still cost €465 million in 2011.

[Deputy Éamon Ó Cuív.]

The value of the household benefits package is being fully maintained in 2011. However, I am considering a number of reforms, some of which may require legislative change, to make schemes work on a more efficient and less costly basis.

As announced in the national recovery plan, expenditure on the free television licence and free travel schemes, respectively, will be capped at the levels provided for in the 2010 Revised Estimates volume. This will not affect individual entitlement but does generate savings in the long term.

The availability of job opportunities with real financial incentives to take these up is of crucial importance over the next few years. Beyond the immediate financial benefit to the worker, work benefits the psychological and general health of individuals in addition to the wider community and the economy generally.

Activation and support for the unemployed comprise a key priority for the Government. Earlier this year, the Taoiseach announced a number of changes to improve the delivery of employment, training and community services to the public by bringing together related responsibilities in these areas. These changes included the restructuring of departmental responsibilities with the aim of providing a streamlined integrated response to the income support and job search needs of people who are unemployed.

In this regard, the employment and community services operated by FÁS are being transferred to my Department in January and the budget day Estimates provided for this. As part of this integration, the national employment action plan is already being revised in order to provide more efficient interventions with jobseekers on a more frequent basis, and this process commenced last October. A key element of the new initiatives will be more intensive and more regular engagement by my Department's services with unemployed people in helping them get back to work and ensuring that all jobseekers are genuinely available for and seeking work.

I am also announcing the creation of a new community work placement programme called Tús and it is intended that it will become operational in the near future. It will provide up to 5,000 places and will provide quality, targeted, short-term working opportunities for people who are unemployed while at the same time carrying out beneficial work within communities.

The 52 local development companies will have responsibility for delivering the work opportunities. The programme will be delivered in the Gaeltacht areas through Údarás na Gaeltachta. Community and voluntary organisations will be asked to provide quality working opportunities for potential participants and a number of national, sporting, cultural and social organisations in addition to care and disability services will also be given the opportunity to participate. Participants will work for 19.5 hours per week for a duration of 12 months and there may be some degree of flexibility in terms of the schedule of hours. The rate of payment will be equivalent to the maximum rate of the person's underlying social welfare payment plus an additional top-up of €20 per week. The employment will be insured for all benefits under the social insurance system.

Participants will be selected through the processes used for the national employment action plan. My Department will contact people on the live register who satisfy the scheme criteria and offer them the opportunity to participate. Those interested in participating will be referred to the local development company, which will maintain a panel from which recruitment will be effected. As is required by law, persons in receipt of jobseeker's allowance must be genuinely and actively seeking employment. Where a person refuses a work opportunity including a work opportunity on the new scheme, that person's continuing entitlement to a payment will be examined.

This is an important new initiative to provide quality short-term working opportunities for the unemployed. It is essential that it be properly targeted at those who will benefit most; can be easily accessed and administered; does not impose excessive burdens on community organisations; and provides quality suitable work opportunities and beneficial outcomes to the community. It is anticipated that this scheme will cost up to €30 million in 2011, and provision is made for this in the budget day Estimates. Overall, it is anticipated that activation measures generally, including the refocused and reinvigorated national employment action plan, will save up to €100 million next year. In addition, the skills development and internship programme and the work placement programme operated by the Department of Education and Skills will provide up to 10,000 places in the private and public sectors.

Welfare fraud is theft. It is a serious crime and the Department of Social Protection is doing everything that it can to crack down on people who abuse the system. There are over 600 staff working in areas related to the control of fraud and the abuse of the welfare system. Between January and the end of October this year, over 585,000 individual claims were reviewed.

The level of fraud on most schemes is very low. As reported by the Comptroller and Auditor General, the percentage of expenditure resulting from fraud identified in the Department's fraud and error surveys was 0% for pensioners, 0.1% for illness benefit recipients, 0.8% for family income supplement recipients, 1.8% for child benefit recipients and 2.3% for disability allowance recipients.

When high risk areas are identified, targeted control measures are put in place to reduce the risk of fraud and abuse of the system. For example, certification was introduced regarding child benefit claims from non-Irish nationals and to other customer segments in schemes where any form of high risk has been identified.

Next year, my Department will begin the phased introduction of the public services card, with key security features, including a photograph and signature, which will be used to authenticate identity of individuals. One of the anticipated advantages of the public services card is that it will help to reduce fraud and error which result from the incorrect identification of benefit claimants. These cards will issue to approximately 3 million people over the next number of years and they will replace cards currently in use, such as the social services card and the free travel card.

Fraud detection systems have also been improved through data matches with organisations such as the Revenue Commissioners on commencement of employment data, the General Registrar's Office on marriages and deaths information, and many other organisations including the Departments of Justice and Law Reform, the Environment, Heritage and Local Government, Education and Skills, and other State bodies. I assure the Deputies that my Department will continue to use every available means to crack down on welfare fraud, and savings will be generated by streamlining our approach in line with international best practice.

I would like now to look ahead to the welfare system of the future. Structural reform of the welfare system is crucial in the short to medium term to deliver better targeted supports while always encouraging participation in work. If we do not reform our systems, we will have no alternative but to make further cuts to achieve savings. I favour making savings from structural reform when and where possible.

In recent weeks my Department has published three reports which will assist with key areas of reform. These reports cover important areas of social welfare, namely, child income supports as well as payments to people of working age and to people who are ill or have a disability. These reports will make a valuable contribution to the transformation agenda and share common themes, with the main objective being the improvement of outcomes for people and their families who are dependent on my Department's support.

[Deputy Éamon Ó Cuív.]

Structural reform changes should include the development of a rebalanced and integrated income payment system; and the development of a single social assistance payment to replace the different means tested working age payments, including some secondary and supplementary payments, as part of a more purposeful labour activation strategy. This new single working age means tested system would help to minimise the existing benefit traps and incentivise recipients to move back to work or move from part-time employment to full-time employment. Implementation will have to be done on a step by step basis to make the system more friendly to atypical working; and the disability allowance review proposes that customers should have their employment capacity assessed at the point when they first apply for the allowance in order to facilitate a greatly improved matching of services and needs.

The Minister for Finance announced yesterday that new bonds which will facilitate a sovereign annuity will be available for pension schemes from January 2011. I will now set out details of this initiative. The National Treasury Management Agency, NTMA, will issue bonds which will assist in the creation of sovereign annuities. The bonds will be available for purchase by any investor, including pension funds. The interest rate applying to the bonds will be announced in January in the light of prevailing market conditions. Any sovereign annuities issued by the insurance industry on the basis of these bonds will be certified by the Pensions Board.

I want to emphasise that this is a voluntary initiative and based on proposals from the pensions industry itself. It gives scheme trustees new options to deliver higher yields and improve the funding position of their schemes. They can buy the bonds for their scheme, in other words, invest in bonds rather than equities. They can also buy sovereign annuities from insurance companies either in the name of the scheme trustee or in the pensioner's name, or they can do any combination of these. It is up to scheme trustees to decide whether to avail of these options. I will be making changes to the funding standard to allow pension schemes that purchase these bonds or sovereign annuities re-price their liabilities to the extent of their purchase and thereby benefit from the higher yield. I am also examining further changes to facilitate greater smoothing for financial reporting purposes.

By purchasing the bonds or scheme annuities, the pension scheme continues to be responsible for investments made. In the event of a scheme wind-up, the current priority given to pensioners continues to apply. However, where sovereign annuities are purchased in the pensioner's name, this marks the end of the scheme trustees' responsibility. Every pension scheme is different in terms of its membership profile and current funding status. Therefore, we have ensured that scheme trustees are given a number of options to decide what is best for their particular scheme.

People may say that investing in Irish bonds is risky but there is absolutely no risk of Ireland defaulting on its sovereign debt. The Government has stated that on many occasions, and I want to be absolutely clear about it. It will not happen.

Acting Chairman (Deputy Charlie O'Connor): To be helpful to the Minister, there are just over two minutes remaining.

Deputy Éamon Ó Cuív: We have got a problem.

Deputy Ulick Burke: Is there any bit of good news in it at all?

Deputy Éamon Ó Cuív: Yes. This is very good news.

Deputy Michael Ring: If there was we would give the Minister time but if there is not.....

Deputy Éamon Ó Cuív: This is a win-win situation——

Deputy Ulick Burke: We heard that before.

Deputy Éamon Ó Cuív: ——because it gives the pension funds a chance to buy sovereign annuities at a better yield than is currently available on the market. Most of them are bought at German rates. On the other hand, the funding is retained within the Irish economy and therefore there is a double win in that regard, as the Deputies will find out in time.

Deputy Ulick Burke: It might finish up a no-win situation.

The Taoiseach: It is a good idea.

Deputy Éamon Ó Cuív: That would only happen if the Deputies opposite were in government because they are the only ones proposing to renege on the sovereign debt.

Deputy Michael Ring: The Minister told us that about Anglo Irish Bank. We were told——

Acting Chairman (Deputy Charlie O'Connor): Allow the Minister proceed.

Deputy Éamon Ó Cuív: Schedule 1 to the Bill provides for the reduction in the weekly rates of social insurance benefit payable to people of working age.

Section 4 together with Schedules 2 and 3 to the Bill, provides for the reduction in the weekly rates of social assistance payable to people of working age.

Section 5 provides for reductions of €10 each in the monthly rates of child benefit for the first and second child and for the fourth and subsequent children, as well as for the introduction of a new rate of child benefit for the third child, with effect from 1 January 2011.

Section 6 clarifies the legislative provisions regarding the payment of various increases with disablement pension so as to ensure that the increases of disablement pension for qualified adults, children, etc., can only be paid where the disablement pensioner is entitled to an incapacity supplement.

Section 7 provides for changes in the reduced rate of jobseeker's benefit for claimants who refuse to participate in an appropriate course of training or to participate in a programme under the national employment action plan.

Section 8 provides for changes in the reduced rate of jobseeker's allowance for claimants who refuse to participate in an appropriate course of training or to participate in a programme under the national employment action plan.

Section 9 provides for changes in the reduced rate of supplementary welfare allowance for claimants who refuse to participate in an appropriate course of training or to participate in a programme under the national employment action plan.

Section 10 provides for repeals consequential on sections 7, 8 and 9.

Section 11 provides for the abolition of the income ceiling of €75,036 applying to the PRSI contributions payable in the case of employees, voluntary contributors and optional contributors who are engaged in share fishing, with effect from 1 January 2011. The section also provides for a number of consequential amendments to the Social Welfare Consolidation Act 2005.

Currently, PRSI is levied on gross income, less any superannuation contributions payable.

Section 12 provides for the abolition of PRSI relief on employee superannuation contributions payable with effect from 1 January 2011.

[Deputy Éamon Ó Cuív.]

Currently, both employer and employee PRSI is levied on gross income less any superannuation contributions payable. While section 12 provides for the abolition of PRSI relief on employee superannuation contributions payable.

Section 13 provides for a reduction of 50% in the PRSI relief available for employer PRSI contributions arising from the employee superannuation contributions payable.

Section 14 increases the rate of PRSI contribution payable by self-employed contributors by 1% to 4%, and brings all the rates to 4%.

Section 15 provides for the abolition of the health contribution payable under the Health Contributions Act 1979, with effect from 1 January 2011. This section also provides that any liability for health contributions assessed after 1 January 2011 in respect of tax years before 2011 are payable and that matters relating to the estimation, collection, recovery or refund of those contributions or of interest thereon or other proceedings relating to those contributions or that interest can be enforced.

I have already outlined a number of changes to the PRSI system which are included in this Bill. In addition to these changes, I will be introducing amendments on Committee Stage to provide for the application of PRSI to share options and gains and for a 4% charge to the Social Insurance Fund, with no benefits accruing, which will apply to holders of public offices.

The Department of Social Protection currently accounts for approximately 38% of the gross Government current expenditure, and will account for 39% in 2011. Therefore, it is not possible to stabilise and reduce public spending without any impact on my Department's budget. As I stated previously, if we fail to take action now the consequences for those depending on my Department would be much more serious because in a situation in which we require to borrow money to pay social welfare, it is important that we retain that ability to borrow it. I therefore commend this Bill to the House.

Acting Chairman (Deputy Charlie O'Connor): I thank the Minister and thank colleagues for their co-operation. The next speaker is Deputy Ring. There is 30 minutes in the slot. I understand Deputy Ring will share time with Deputies Burke and Neville and that Deputy Ring is taking 20 minutes.

Deputy Michael Ring: It does not give me any great pleasure to criticise this, the most savage budget since the foundation of the State. This budget is anti-elderly, anti-family and anti-children and it will have an effect on the most vulnerable in society.

I never thought the day would come when I would see the Fianna Fáil Party attacking carers, persons with disability, persons on blind benefit, pensioners and even the minimum wage. I say tonight to Fianna Fáil, to the Greens and to the Independents that tomorrow, I will give them a number of opportunities. I will be tabling amendments on carers, those with disabilities and the blind, and on child benefit, and I hope these Members will vote tomorrow with their conscience, not with their party, because what the Minister has allowed happen is wrong. This attack the Government has made on the most vulnerable is wrong.

The old age pensioners thought that they got away without any cuts in this budget. On the universal social contribution, I want the Minister to confirm to me when he is concluding this debate whether persons who are over the rate will pay that contribution. I also want him to clarify for me whether persons who currently have medical cards, who in the past did not have to pay the universal social contribution, have to pay it now with the new scheme that the Minister is introducing. I want both of these matters clarified.

In the past elderly persons, if they were leaving the country on a holiday, used get their passport free but now the Government has attacked even that. The Government is taking the passport off them because it is charging them for it. However, the most important matter are the questions I have raised on the universal social contribution, and I want those questions answered quickly.

It is outrageous that the Government has targeted the carers in this budget. The carers are those who work for their social welfare payment and I am disappointed that the Minister and the Government could not have excluded the carers, the blind, those with a disability as these people need help more than anybody. This budget is outrageous and I am disappointed with Fianna Fáil policies which has allowed this to happen, put 450,000 out of work and attacked low-income families. Fine Gael will oppose the budget unless the Government accepts Fine Gael's amendments to reverse cuts to carers, the disabled, the blind and the widows.

Carers are the only welfare recipients who work for their payment. Ireland's 160,917 family carers provide 3.7 million hours of care each week which saves the State some €2.5 billion each year, according to the National Carers' Association. Fine Gael believes we should support carers. It makes sense that carers are supported in the work they do because they save the taxpayer money in the long run. If carers are not supported they will experience physical, financial and emotional hardship and eventual burnout. The result of this is that the cared-for person will end up in expensive hospital or nursing homes and the State will have to pick up that tab.

Fianna Fáil has abandoned carers at every turn. First, it failed to look after them during the boom, it abandoned the national carers strategy in 2009 and reduced the payment to carers in 2010. Now in Budget 2011, it has hit them again by reducing the payments further by €8 per week and it has also changed the home carer tax credit. This is a disgrace, it is wrong and it should be overturned.

One thing is for sure, there is no Croke Park agreement for persons with disabilities. Budget 2011 will see the disability allowance fall by €8 per week. This is on top of a €8.30 cut last year, amounting to €16.30 a week in just two years. In 2011, a person in receipt of disability allowance will get €870 less than he or she did in 2009. This is surely an attack on the vulnerable.

It has been proven time and again that there are substantial extra costs associated with having a disability including transport, heat, household improvements and supports. Rather than supporting the most vulnerable, Fianna Fáil is targeting them for savings. In Fine Gael's proposals published last Friday, we made a commitment to protect the rate paid to persons with disabilities.

At the same time on Friday last, the Minister of State with responsibility for disability, Deputy Moloney, published draft policy proposals recommending a shift from the existing disability service models towards a system of individual support. This would result in greater choice and control for persons with disabilities, would help them with the cost of living and would result in savings for the State. Fine Gael's former spokesperson on disabilities, Deputy Stanton, has been calling on the Government to implement this change for years, but nothing has happened. This is a prime example of where the Government could reform the public service to improve services while saving money. It could have done this rather than cutting desperately needed payments to persons with disabilities.

With wages falling, Fine Gael recognised the need to cut social welfare for those with the capacity to work, but there was no economic or social case to cut €8 per week from the incomes of widows, carers, the blind and those with a disability. The exclusion of these groups from the cuts would have cost the State €96 million. The Government could have saved this by adopting Fine Gael's proposal to completely overhaul the welfare system by establishing a single payments and entitlements service instead of the 20 plus Government bodies that currently administer entitlements, making massive savings in administration, fraud and mistakes. This is another

[Deputy Michael Ring.]

example of Fianna Fáil's failure to introduce the necessary public service reforms to improve services and save money at the same time.

Budget 2011 demonstrates the disjointed and chaotic approach the Government has taken toward major policy areas. In 2010, the Government applied a flat-rate cut to child benefit and increased the qualified child allowance and the child component of the family income supplement to counteract the impact on low-income families and those on welfare. Budget 2011 applies a similar reduction. Child benefit will be reduced by €10 per month from January 2011 for the first and second child, and a €20 cut will apply to the third child, with a €10 cut to fourth and other children. This year, however, there has been no increase in family income supplement or qualified child allowance, which means that low-income families are being hit harder than high income families. Had the Government got its house in order, it could have introduced the new child income support which has been in consideration for years. This new support would mean that child income supports such as child benefit, family income supplement, qualified child increase and the back-to-school clothing and footwear allowance would be amalgamated so that everybody would continue to get a payment but low-income families and families on social welfare would be targeted much more effectively. The structural change, which has been in discussion for years, would be significantly better in combating child poverty and would result in some savings for the State.

The cut in the minimum wage makes no economic sense. I cannot understand Fianna Fáil and the Government. It will not create a single extra job and it will put people under further pressure. Why did the Minister target those on low income? The Minister and I know what will happen. Employers will dismiss these people and they will ask them to come in under a new contract on the new rate. It is wrong and on Friday we will oppose it in another Bill before the House.

Deputy Éamon Ó Cuív: It would be unfair to dismiss it. It would be very expensive for an employer to do it.

Deputy Michael Ring: The Minister has talked a good game about fraud in recent years but he has done nothing about it. Under the Croke Park agreement, why can people not be transferred from other Departments to tackle fraud? The Minister is not serious about tackling fraud——

Deputy Ulick Burke: The Minister has no place to put them.

Deputy Michael Ring: The Minister states €533 million was saved on fraud this year. It is outrageous that this cannot be dealt with. The Minister went for the soft option; he went for the carers, the blind pension, the children and the family unit. That was never the republican party Fianna Fáil line. It was always supposed to support the family, the weak and the sick. However, in this budget it went after them and attacked them. The only good news in the budget — I hope the Minister will confirm it for me — is that pensioners were left alone with regard to the universal social contribution. Fine Gael also has it in its plan that pensioners would be left alone. Pensioners have made their contribution to society. They worked hard over the years. Whatever about not giving increases, one cannot give something with one hand and take it back with the other because it has an awful effect on people, particularly those on low incomes. If people never got it they would not miss it.

The budget targeted low and middle income families and it is wrong that it did so. There was money to be got from the rich but the Government took the easy option and attacked families on low and middle incomes. Some of these families will be down €879 a year, which

is approximately €17 a week. This is wrong. The universal social charge will also have an effect on families.

The Minister talks a good game on protecting the most vulnerable but in this budget he failed. He let them down and certainly did not deal with the problems they have. I am very disappointed about this. I expected the Minister to tell the Minister for Finance that he could not touch the weak, the poor or the most vulnerable in society. I understand we have a massive social welfare bill and that cuts must be made to it, but there must be other ways of targeting these cuts rather than attacking the most vulnerable. I was disappointed.

The Minister is now discussing a new scheme to bring people into the workplace. I hope it works. I hope it will not be compulsory and I expect clarification on this tomorrow on Committee Stage. People who want to participate will do so but I do not want it to be compulsory and to expect an architect to become a carpenter. This should not happen and it should not be used to take away social welfare payments.

Deputy Éamon Ó Cuív: Good man Michael.

Deputy Michael Ring: We need this clarified tomorrow.

Deputy Éamon Ó Cuív: I have clarified it 50 times but perhaps Deputy Ring does not hear me.

Deputy Michael Ring: As I stated——

Deputy Éamon Ó Cuív: The law is quite clear.

Deputy Michael Ring: ——the Government states one thing and does another. It does this all the time.

Deputy Éamon Ó Cuív: We passed the law. The law states an offer of employment must be suitable. Deputy Ring knows that and I know that and it is unfair for people to be peddling untruths when they know the opposite is true.

Deputy Michael Ring: Minister——

Deputy Éamon Ó Cuív: Deputy Ring knows me long enough.

Deputy Michael Ring: All I am saying to the Minister is that I do not want this to be used to degrade people on social welfare. I want to make sure that people who want to go out and work can do so and that who want to be retrained will be retrained.

We do not want to see the shenanigans that went on in the past in FÁS. I welcome the movement of FÁS to the Department of Social Protection. It is the one positive in the Bill. I hope it will mean that we will have a one-stop shop whereby people will sign on for their payments and then be taken to another person who will see how they can be retrained to re-enter the workforce. I hope this will happen. What went on in FÁS over the past 20 years can never be allowed to happen in this country again. I hope the Minister will have a strong role on this. I hope he ensures that what went on in FÁS over the past 20 years will never happen again; it was a disgrace. This is why the most vulnerable, those on social welfare, are being targeted today. Those involved in FÁS lived like lords and kings, flying first class to the United States and going to basketball games and ball games and staying in the best hotels. It was no wonder. At a time when we had almost full employment we gave FÁS €1 billion more than when people were looking for work. I hope the Minister will deal with this.

[Deputy Michael Ring.]

Tomorrow, I will put pressure on the Fianna Fáil backbenchers and Independent Deputies. The Independent Deputies walk with Fianna Fáil and do what they are told by the Government. An Independent Deputy elected to the House should judge every piece of legislation based on what is put before him or her. Tomorrow, two or three Independent Deputies will support the Government. I will ask them to vote with their conscience and not for themselves. This is wrong and if they have any type of conscience they will know that one cannot take money away from carers, the blind, those with disabilities or the most vulnerable in society. How can anyone live on €188 a week? It cannot be done by a family.

I never thought that Fianna Fail would be so anti-family. With regard to child benefit, why did the Government not do what Fine Gael has been suggesting in recent years? Why does it not target child benefit? It is a universal payment and I never want to see it taken away from women, but sometimes universal payments do not work. However, it would work if it were targeted at the most vulnerable, the people who need it most, particularly those with large families who are on social welfare. They should be given more. This is why what the Government did yesterday with regard to child benefit is wrong and will not work. It has been cut across the board and it will have a major effect on large families who are on social welfare. It is wrong.

Tomorrow, on Committee Stage I will pose a number of questions. Earlier this year, we had a debate on jobseeker's benefit. What changes have taken place in the budget and what changes will be made in the Bill? Will the Minister clarify this when he replies to the Second Stage debate? The universal social contribution will have a major effect, particularly on pensioners and those on low incomes. We do not want to have a situation whereby it is better to be on social welfare than to have a job. People who work must be rewarded and we must encourage people to go into the workplace and take up work. We do not want people to be better off on social welfare and not taking up low paid jobs. Action must be taken on rent supplement. People in receipt of rent supplement cannot take up employment because they would be far worse off if they went to work than if they remain on rent supplement. The Minister needs to deal with this and I hope that he does so quickly.

At present, there is great anger. Since I entered politics, my e-mail, telephone and office have never been busier than they are today. People are frightened. They feel that through the cuts made yesterday people on social welfare have been targeted for the second year in a row. They are already under stress and under pressure. Yesterday, €10 was also removed from the supplementary income. It is frightening for people and they are concerned about it, particularly those awaiting appeals. At present, 20,000 people are awaiting appeals and the Minister and the Department should be dealing with these. People should not have to wait six or seven months for appeals. We need to simplify the entire process. We need to make it easier for people to get their payments or to make appeals and we need adjudication on those appeals far more quickly than happens currently. It is wrong to have a situation where people are knocked off welfare while they are making an appeal yet must wait six or seven months for their appeal to be heard.

This has been a savage budget. It has hurt the old, the weak and the sick. I appeal to Fianna Fáil backbenchers, to the Green Party and to Independent Deputies to take the opportunity we offer them tomorrow to vote against the proposed cuts, particularly the cuts in carer's allowance, the pension for the blind and child benefit. We will give them that opportunity and I hope some of them vote with their consciences and support the people who elected them. They should remember that it will not be too long before they must go before the people, who will adjudicate on them. I know how the people will adjudicate and that they will deal with these Deputies on the doorsteps.

Deputy Ulick Burke: I thank Deputy Ring for sharing his time with me. I welcome the creation of the new scheme, Tús, which will be organised through the Leader partnership companies throughout the country. It is important that the good work started by FÁS over the years is continued, in particular much of the fine environmental work it supports. Previously such schemes operated on a week on, week off basis but it now seems the new scheme will operate on a 19.5 hour week. Perhaps the Minister will tell us later how that will be organised.

In his Budget Statement yesterday, the Minister for Finance said that everybody will pay, and that those who can pay most will pay most. He also stated, in a rather dismissive way, probably in order to lessen the impact of the cuts and justify them, that welfare rates are higher in Ireland than in Britain and remain above 2007 levels. He fails to realise, or simply will not admit, the cost of goods and services in Ireland relative to those in Britain. The statistics released last week by the CSO clearly indicated that for 2009 the levels of consistent poverty rose from 4.2% in 2008 to 5.5%, while the numbers of people unable to afford basic requirements rose to 25%. This was before the impact of the cuts in this budget are taken into account. The consumer index rose by 2% in 2010, which will lead to even greater poverty and hardship.

Minister Ó Cuív's selective use of figures from 2004 to date are a clear indication that he is trying to veil the reality of the crisis that exists in social welfare. How can he as Minister for Social Protection reconcile this situation with what he has allowed to happen to the most vulnerable people in our society? He has said repeatedly that we must all share the pain, but this has not happened. It was hard enough for people on carer's allowance, pensions for the blind, disability allowances, invalidity pensions, widows' pensions or unemployment benefit to get by before this budget, but now, faced with a cut of €8 per week for most of them, or €10 per month for child benefit, it will be even harder for them to survive. Some €873 million has been taken from the most vulnerable people in society. There is no fairness in that. Shame on the Minister.

Time and again before the budget announcement yesterday, we were told that all the details were well flagged. It was disgusting to see Government backbenchers, along with Deputies Lowry and Healy-Rae posturing in defence of no social welfare cuts for the most vulnerable. They were ignored by the Government and the cuts were introduced. In today's edition of *The Irish Times*, the editorial comments on that decision and states it "indicates either naked fear of our international rescuers or an indifference to poverty and hardship that is shameful." The Minister for Social Protection has failed to protect the weakest in our society for whom he has responsibility and has callously stated that the adjustments — which most people would call cuts — were necessary and that pensioners, carers and unemployed people would face far greater cuts in the future if the cuts were not made now. He has repeated that tonight. He said he was aware that the changes made would affect the lives of many people. Not only do they affect the lives of people, they destroy the lives of many people.

The Minister says he will reduce his bill by €100 million by reducing the numbers of people on the dole. Where are the jobs for these people? He is hardly talking about the short-term jobs as ones that will provide 5,000 jobs. If he is, that is only more of the camouflage and deceit we have had from the Government over the past three or four years. It is important that the Minister outlines for once and for all where jobs will be created in his area.

Deputy Dan Neville: I welcome the opportunity to contribute to the debate on the Social Welfare Bill. The disastrous economic situation in which we find ourselves is a result of the reckless policies of Fianna Fáil in government over the past ten years. We now have approximately 450,000 people out of work and approximately 100,000 people have emigrated. Now, in the budget the most vulnerable members of our society have been attacked.

[Deputy Dan Neville.]

I would like to draw the Minister's attention to the serious problems that are arising as a result of the recession. It has been recognised that one of the issues that arises as a result of recession is an increase in suicide. Last year there was an increase of 25% in the number of suicides here and an increase of 10% in the level of self-harm. When people suffer job losses and job insecurity, financial distress, the loss of their homes or the threat of the loss of their homes, this affects their self-esteem. People identify work with self-esteem and the lack of work creates relationship difficulties, leads to an increase in divorce and to increased substance abuse, particularly of alcohol and drugs. This creates a societal issue with which we must deal.

We now face a situation where the most vulnerable have been attacked. These are the people who must live on the lowest levels of income because of their disability, their life circumstances or the need to care for one of their loved ones. The reduction in carer's benefit, pensions for the blind and disability allowances will seriously impact on the quality of life of the people receiving those benefits, although they are already under significant pressure because of their circumstances. The 160,000 carers working in Ireland last year saved the country €2.5 billion. As Deputy Enda Kenny said this morning, there is no moral or social case for cutting the income of such vulnerable people. The Minister has informed us that the cuts will save €96 million, but we have put forward a clear alternative. Fine Gael proposes a single payment and entitlement service that would cut out the 20+ Government bodies that currently administer entitlements. This would bring about massive savings through reducing administration costs, reducing fraud and the reduction of errors. I will draw attention to some of these issues later.

There is a clear alternative for the Minister to make savings of €96 million and more. For example, many times over the years it has been pointed out in the House that various agencies carry out means tests.

Means tests are required for the medical card, unemployment assistance and many other benefits. Centralising these tests in one agency is an example of where efficiencies and savings can be achieved.

I am concerned that the dependent child allowance was not increased to compensate for the reduction in child benefit. Some local social welfare offices take up to three months to process applications for the jobseeker's allowance. Reference has already been made to the redeployment of staff. The carer's allowance and disability allowance sections in Longford should be investigated under the Croke Park agreement.

Irish people who worked in this country before going to Canada or Australia for a year or two are being required to complete habitual residence forms before they can claim jobseeker's allowance. This delays their applications and increases bureaucracy. Even if they leave for a year or two, people who were born and worked in Ireland should not be treated the same way as those who come to Ireland from another country and never worked a day here. In one case, a young man from Limerick who attended school and college in Ireland and worked here during his summer holidays was told to fill out a habitual residency form because he studied in Edinburgh for one year to qualify as an engineer.

Acting Chairman (Deputy Charlie O'Connor): The next speaker is Deputy Shortall, who I understand is sharing time with Deputy Upton.

Deputy Róisín Shortall: The Social Welfare Bill 2010 is a blatant and unjustified attack on the weakest and the working poor. Cutting basic social welfare rates by €8 per week for the second year in a row will have a devastating impact on people who rely on the State for income support. The Government has lost all sense of the fact that carers, widows, people with

disabilities, single parents and the unemployed depend on their weekly payments for their very survival. Last year, it sought to justify social welfare cuts on the basis of the falling cost of living in some areas. No such excuse can be made this year. The decision to cut these basic rates cannot be defended.

Under this budget, a married couple with three children will lose €22.50 per week, or €1,200 annually. Families who are already struggling to keep their heads above water will undoubtedly go under if the Minister persists with these measures. Fianna Fáil is once again making the poorest in our society pay for its disastrous mismanagement of the economy. It is difficult to fathom how these measures will help recovery. The cut in the basic rates will result in extreme hardship for families who depend on social welfare and put further pressure on the Society of St. Vincent de Paul and other organisations which are already finding it difficult to meet the huge demand for their services. By proceeding with these cuts, the Minister will drive people into the arms of money lenders.

The Government clearly places no value on the contribution carers make to this country. Without the 24-hour service they provide the State would incur far higher costs. It is incredible that their income is to be cut once again even though they save the State money. There is fear among carers that the cuts will be exacerbated by the removal of other key supports in the health sector.

The Government's priorities are clearly wrong. How can it justify targeting people with disabilities, those on the blind pension and other vulnerable groups? Its decision to hammer these people is reprehensible and unjustified given that alternative means of balancing the books were available to it.

The new universal social charge is little more than a working poor tax. Combined with the reduction in the minimum wage, it will significantly impact on low paid workers. The new charge disproportionately affects certain sections of Irish society. It hits low income workers by significantly shifting the tax burden away from high earners and on to those on lower pay. It is regressive in the extreme. It will substantially raise taxes on all workers with an annual salary of less than €26,000.

Did the Minister consider the cumulative impact of the budget measures? The pay for a worker earning the minimum wage will drop by €40 per week, bringing full-time earnings on the minimum wage to €306 per week. A further €8.42 will be deducted for the universal social charge, bringing the worker's earnings to €299.50 for a 40-hour week. Imagine the indignity of receiving less than €300 for a 40-hour week. As a result of the budget, this worker will lose €48 per week. This imposition should be contrasted with the single self-employed high roller on a salary €1 million per year whose weekly take home pay will increase by €461 per week, or 5.2%, as a result of the budget. The Government will hand a millionaire an additional €461 per week while taking €48 from someone on the minimum wage.

The universal social charge is a tax by another name.

Deputy Éamon Ó Cuív: Does the Deputy really think——

Deputy Róisín Shortall: Excuse me.

Acting Chairman (Deputy Charlie O'Connor): Sorry Minister, allow Deputy Shortall to continue.

Deputy Éamon Ó Cuív: I am trying to help her.

Deputy Róisín Shortall: It was originally supposed to be a social contribution but as the Government decided that it would have to give something back to people if it called it a

[Deputy Róisín Shortall.]

contribution, it changed the name to “universal social charge”. It can be more accurately described as a universal anti-social charge because it will work against social cohesion. It will be socially divisive because it is utterly unfair in its operation. Annex C to the summary of 2011 budget measures states: “The Universal Social Charge merges the existing Health Levy and Income Levy. It is a tax and does not confer a benefit to those paying the charge”. In his Budget Statement, the Minister for Finance stated: “Those on the new reduced minimum wage will not be brought into the tax net”. It is quite clear that that is a lie. It is a lie to say people on the minimum wage will not be brought into the tax net.

Acting Chairman (Deputy Charlie O’Connor): Deputy Shortall, I would appreciate it if you could use a different word.

Deputy Róisín Shortall: I am sorry. There is no other way of describing that.

Acting Chairman: The Chair is obliged to bring that to your attention.

Deputy Róisín Shortall: This is part of what has been going on in recent weeks. There has been spinning about the budget.

Deputy Michael Ring: That is right.

Deputy Róisín Shortall: There was widespread leaking of the budget provisions yesterday to all media outlets. The Minister for Finance benignly read out details of a budget that did not seem to be doing any harm to anyone in particular. He made a statement that was blatantly untrue. That is why I am calling it a lie. He said people on the minimum wage will not be brought into the tax net, when it is clear that they will be. Not only will they lose €40 per week in their pay packet but they will be taxed to the tune of €8 per week, bringing the total deduction to €48 per week. That is wrong. It is part of the deceit the Minister for Finance and his colleagues have engaged in over recent times and continue to engage in. People do not realise just how vicious this budget is for a number of categories of people. It is about time we had some honesty about what the Government is engaged in.

The universal social charge dramatically increases the marginal rate of tax. A single person currently has a marginal tax rate of 26%. This is being raised to 31%. In the case of a married couple with two children on family income supplement, the new levy means an effective marginal rate of tax of 64.4%. That goes up to a marginal tax rate of 90% if the couple are also in receipt of rent supplement. There is hardly any point in such workers taking a promotion, increasing their hours or in any way increasing their income.

The new charge disproportionately affects working widows and widowers, working lone parents, the over 70s and people with a medical card. Each of these groups has been exempt in one way or another from the income levy and/or the health levy. The Minister for Finance did not explain, yesterday, just how the new universal social charge is to impact on all of those groups. We did not hear anything about that from Fianna Fáil backbenchers yesterday. We still have not got the views of the Independent Deputies who are planning on supporting this budget about the impact of the universal social charge on their constituents. People in those circumstances will now have to pay the universal social charge. This represents a very significant and sudden jump in their tax bill.

All of those vulnerable categories of people who are trying to supplement their incomes through working as well as having a social welfare payment will be hit. Apparently, no thought has been given to the cumulative effect of the charge on a number of different groups. For instance, a widow or widower who has a job that pays, for example, €600 per week stands to

lose €8 from the widow's pension. They will be paying an extra €17 per week as a result of this new universal social charge. Their tax credits have been reduced by 10% and they have to endure all the other budget cuts, such as the general reduction in tax credits, child benefit and so on. In total, a widow or widower in these circumstances will lose approximately €50 per week. It is completely unfair to burden one group — and especially this group — with such a major adjustment in their financial circumstances in one year.

Similarly, combined with other measures, the charge also imposes a very significant burden on pensioners. Again, I want to break the Fianna Fáil myth that the budget protects pensioners. The Government may have left the State pension alone, but it is hammering pensioners in so many other ways. The example of the retired couple, Áine and Vincent, given on page C25 of the budget document, shows that a couple with an income of just under €40,000 in total, will now be paying income tax and the new social charge. Previously, this couple would have been exempt from income tax and the income levy. Now, they are paying both, resulting in a 5% cut in their net income. Such a couple are not only hit by extra income taxes but, in addition to that, they will now have to pay DIRT tax and in many local authorities they will be caught for bin charges as well. It is nonsense for Fianna Fáil to claim they have protected pensioners. Pensioners are going to be hit in so many different ways under these proposals and people are really only copping on to that today.

Earlier today, I understand, Deputy Thomas Byrne made a statement that the universal social charge would be phased in for previously exempt groups, such as the ones I have mentioned. I ask the Minister for Social Protection to clarify that point. Is that the case?

I cannot find a mention in the Bill as to whether the charge will be taken into consideration in the calculation of family income supplement. I would have thought that would form part of the legislation.

Deputy Éamon Ó Cuív: The universal social charge is not subject to this Bill.

Deputy Róisín Shortall: The abolition of the health levy is part of the Bill. The health levy is being abolished to bring in the universal social charge.

Deputy Éamon Ó Cuív: No.

Deputy Róisín Shortall: I am asking the Minister to clarify those points.

The universal social charge also impacts significantly on the attractiveness of work for people on welfare. For most people on jobseeker's payment, the effect of the universal social charge is to worsen replacement ratios and increase poverty traps when they are taking up low-paid work. The situation is made noticeably worse for people taking up employment that pays less than €26,000 per annum. The drop in the rate of supplementary welfare allowance also reduces the amount of rent supplement a person can claim when moving into employment. Add to this the proposed cut in the minimum wage and the budget is a cocktail of measures that impinge significantly on work incentives for people who are on welfare and considering moving. The Minister talks about encouraging people to move off welfare and into work, but the cocktail of measures contained in the budget will discourage people from doing that.

The abolition of the long-standing poverty trap associated with the health levy threshold of €500 per week is to be welcomed. However, the universal charge has created another poverty trap at €4,004. Part-time workers on low wages, such as cleaners or security workers, will face a very high marginal rate of tax once their income rises above this level. This does not make any sense.

[Deputy Róisín Shortall.]

Of course, the biggest poverty trap is caused by the requirement that those in receipt of rent and mortgage interest supplement not work more than 29 hours per week. This remains untouched. I cannot understand the sheer lack of will to tackle this issue.

The actions of Deputy Jackie Healy-Rae are particularly appalling. As Chairman of the Joint Committee on Social Protection, one would expect his role to be predominantly about protecting the poor in the budget.

Deputy Michael Ring: Hear, hear.

Deputy Róisín Shortall: Once more, he has proved that he is only interested in protecting his own political dynasty in Kerry South. At almost every meeting of the joint committee we hear examples of how budget cuts impact severely on some of the most vulnerable in our society. We have heard from the Society of St. Vincent de Paul, the Carers Association, One Family and various others. One after another, those groups have explained to us the kind of impact last year's budget cuts have had on the people they serve. Of course, Deputy Healy-Rae rarely stays long enough to hear the presentations. If he stuck around long enough to listen to their concerns he would know the devastation that recent Government cutbacks have caused.

There is something grotesque about our political system when a man who cares so little for the poor occupies such a prominent political position and gets paid €10,000 a year for doing very little. The truth is that Deputy Jackie Healy-Rae is really only concerned about his own survival. He and Deputies Lowry and Behan, have taken the 30 pieces of silver. They have pledged their support for cutting child benefit, the blind pension, carer's allowance, disability allowance, supposedly in the national interest. This is just political prostitution dressed up as fake patriotism. If Deputy Jackie Healy-Rae had any shame, he would give up his position on that committee and hand back the €10,000 he has received in the past year. What must the bond markets make of the fact that Deputy Jackie Healy-Rae, along with the other two amigos, has such control over Irish domestic policy?

I am also disappointed at the position Fine Gael has taken on welfare cuts. It is proposing a cut of €6 per week in the welfare rate for people of working age and this to be multiplied by three over the next three years. Like the Government, Fine Gael had choices in terms of the budget. It is bitterly disappointing that the decision was taken to hit those people who are most vulnerable in our society when there were choices. There are plenty of other people who are very wealthy who could have made a contribution and were not asked to do so.

I refer to section 5 which proposes to cut child benefit by €10 per week for each of the first two children and by €20 per week for the third child. This impacts disproportionately on low-income families because the cut represents a far greater proportion of their income. The Minister is proposing to cut income support for children, for people at the very lowest levels, at the same rate as he is cutting it for millionaires. This is the reality of this proposal.

The Minister is making no allowance for the fact that the children of people dependent on welfare or on a minimum income from a minimum wage job, should somehow be able to survive when they are put to the pin of their collar just to get by, to eat, to be able to participate in school. The Minister seems to think it is acceptable to hammer those children, the poorest children in the country, by cutting their income by €10 a week. Unlike previous Social Welfare Bills, there is no compensating payment for the poorest children or under the back to school clothing and footwear allowance. The Government has effectively abandoned its national anti-poverty strategy. A total of 92,000 children are already living in poverty. Of all groups in society they are by far the most prone to poverty. The Government has put their welfare seriously at

risk. The Minister should remember that once a childhood is blighted, it cannot be reversed. This is one of the most shameful measures announced in yesterday's budget.

From a social policy point of view, the cuts in the basic rate of supplementary welfare allowance is another very retrograde step. I cannot see any justification for it. The fact is the Minister cannot get his act together in terms of his Department processing claims in a timely manner. Not only will people have to endure those delays of six to nine months but they will also be financially penalised because of the cut in the supplementary welfare allowance.

There are many other parts of the Bill which I could highlight and I will do so tomorrow. Overall, this Bill, like the budget, is about attacking the weakest. It is wrong, unfair and without doubt it should be voted down.

Deputy Mary Upton: The most striking aspect of this Bill and the budget is how much effort has been put into politically proofing it and how little attention has been given to considering the true effects of its proposals on the daily lives of ordinary people. Families, the unemployed, low and middle income earners, carers, the less well-off, the self-employed and those struggling just to get by, were all targeted by a budget obsessed with the €6 billion adjustment figure but lacking any understanding of the effect of the budget cuts on the lives of ordinary people already suffering because of the recession.

The Government, afraid of a backlash similar to its mishandling of the medical card scandal, has learned to avoid headline figures but to be discreet about all other cuts. We have had cuts in the widow's pension, disablement pension and blind pension, among others. According to the Minister's budget factsheet issued by his Department yesterday, "Older people are fully protected". Have blind pensioners and pensioners with disabilities been protected?

The Government has shown total disregard for certain categories of pensioners in sneaking through these cuts while propagating nonsense such as the statement on the Minister's budget factsheet. Older people who are dependent on the fuel allowance will hardly be jumping for joy with the additional €40. It will, at best, provide for a couple of days heating in this current cold snap. We know what will happen for the rest of the winter. These people will either go to the Society of St. Vincent de Paul, if they are lucky and able to access such assistance, or else they will be freezing in their homes, afraid to turn on the heating.

Child benefit was cut by €10 for the first and second children and €20 for the third child. There is no rationale for the additional cut for the third child and the attempts that have been made to justify it ring hollow. Child benefit, as my constituents constantly attest to me, is being relied upon more and more to cover the basics and to keep bread on the table, as this recession takes an ever greater toll on families across the country.

These crude cuts show just how little this Government understands the plight of families in the current economic climate. The poorest are hit with the same child benefit cuts as the very wealthiest. This flat cut is completely discriminatory against the very poorest. Those without a voice were again hit the hardest.

There is to be another €8 cut in jobseeker's benefit and allowance as well as a further €2 costs in rent allowance. This is conveniently described as a reform, not a cut. A further €6 cut is imposed on those jobseekers aged between 22 and 24 who will now receive only €144 a week. They had €50 a week taken last year. These measures are also proposed, to use the phrase, "make work pay", but when there is no work these people must simply take the hit.

Much has been made of returning these payment rates to 2006 levels for child benefit and to 2008 levels for social welfare payments, on the basis that costs are at levels last seen in these years. The Minister has clearly not checked the rise in the price of electricity, home heating

[Deputy Mary Upton.]

oil, petrol, gas, bin charges, hospital charges, health insurance, car insurance, house insurance or any of the other myriad of charges faced by the average citizen.

The carer's allowance was cut, again taking money from those who save the State so much and provide vital care to the elderly or to those with disabilities, in their homes, where they want to be located. It is simply another instance of carers being taken for granted.

The Government promised much in yesterday's budget but delivered an array of cuts and penalties without any hope for the future. There was no pretence of fairness in yesterday's budget and no pretence of fairness in this Bill. The figures are clear. They are an attack on the low to middle income earners; an attack on those dependent on social welfare.

Apart from the impact of the drop in living standards that will result from these cuts, what is more galling for those affected by them was to listen to the Government stress how hard it has been for it to make these decisions. Is this the Government's idea of an expression of solidarity? Given the Government's responsibility for causing this mess, does it feel the need to show that times are tough for it too? The decisions taken in yesterday's budget were shameful, but the pretence of fairness was worse. The people know this and the more this Government talks, the less people listen and certainly, the less they believe.

Debate adjourned.

Estimates for Public Services 2010: Message from Select Committee

Acting Chairman (Deputy Charlie O'Connor): The Select Committee on the Environment, Heritage and Local Government has concluded its consideration of the following Supplementary Estimate for public services, for the service of the year ending on 31 December 2010: Vote 25 — Department of the Environment, Heritage and Local Government.

The Dáil adjourned at 8.30 p.m. until 10.30 a.m. on Thursday, 9 December 2010.

Written Answers.

The following are questions tabled by Members for written response and the ministerial replies as received on the day from the Departments [unrevised].

State Bodies

1. **Deputy Fergus O'Dowd** asked the Taoiseach if any employee at senior management level of any State body or organisation under the auspices of his Department has received any bonus payment in the past 12 months; if so, the amounts received and the reasons for same; the person who made the decision to grant this payment and the reason for same; if this matter was referred to him or if he was informed of the matter; if so, the views he expressed; the response, if any, from the body concerned; the subsequent decision taken by such body; the rank of the recipient; and if he will make a statement on the matter. [46589/10]

The Taoiseach: No employee at senior management level of any State body or organisation under the auspices of my Department has received a bonus payment in the past twelve months.

Departmental Staff

2. **Deputy Fergus O'Dowd** asked the Taoiseach if any civil servant in his Department has received a bonus payment in the past 12 months; if so the amount received; the reason given for such payment; who made the decision to grant same; the rank or grade of the recipient; and if he will make a statement on the matter. [46669/10]

The Taoiseach: No civil servant in my Department has received a bonus payment in the past 12 months.

Work Placement Programme

3. **Deputy Tom Hayes** asked the Tánaiste and Minister for Education and Skills the number of persons that have been given work placements nationally and in each local authority area under the work placement programme since its introduction [46680/10]

Minister of State at the Department of Education and Skills (Deputy Seán Haughey): The Work Placement Programme commenced in June 2009. To date a total of 2,496 starts have been recorded under the Programme of which 1,224 were in the graduate stream and 1,272 were in the non-Graduate Scheme. The table shows the regional breakdown (FÁS does not record data by local authority area):

[Deputy Seán Haughey.]

June 2009 to 6th December 2010

FÁS Region	Areas/Counties	WPP1 (Graduate)	WPP2 (Non- Graduate)	Total
Dublin Central	Baggot Court, D'Olier House, Parnell Street, Ballyfermot, Cabra	250	214	464
Dublin North	Baldoyle, Balbriggan, Swords, Blanchardstown, Coolock, Finglas	83	93	176
Dublin South	Rathfarnham, Crumlin, Tallaght, Clondalkin, Tallaght, Dun Laoghaire, Loughlinstown	132	131	263
Midlands	Kildare, Laois, Longford, Offaly, Westmeath	85	145	230
Mid West	Clare, Limerick, Tipperary	95	90	185
North East	Cavan, Louth, Meath, Monaghan	111	93	204
North West	Donegal, Leitrim, Sligo	36	62	98
South East	Carlow, Kilkenny, Tipperary South, Waterford, Wexford, Wicklow	117	163	280
South West	Cork, Kerry	187	162	349
West	Galway, Mayo, Roscommon	128	119	247
Total		1,224	1,272	2,496

Data: WPP CSS Reports Starts — 06/12/2010.

FÁS Training Programmes

4. **Deputy Fergus O'Dowd** asked the Tánaiste and Minister for Education and Skills the reason FETAC is carrying out audits at some FÁS centres; when the process is expected to finish; the outcome of such audits to date; and if she will make a statement on the matter. [46683/10]

13. **Deputy Fergus O'Dowd** asked the Tánaiste and Minister for Education and Skills the precise number of individual cases which were the subject of the recent FÁS communication to FETAC regarding certification queries from the northeast; the reason the communication took place; the FETAC response to same; the outcome since in the North East; and if she will make a statement on the matter. [46679/10]

Tánaiste and Minister for Education and Skills (Deputy Mary Coughlan): I propose to take Questions Nos. 4 and 13 together.

I understand that FÁS is making progress in the implementation of its new Training Standards System and is dealing with the backlog of certificates due to qualifying learners. During this exercise in the North East Region, significant processing issues in respect of a small number of courses were identified by FÁS giving rise to errors on certificate requests for 53 learners on 6 courses. No certificates had issued to learners. However, as a result of these issues, FÁS decided to undertake a more detailed review.

I understand that FÁS informed FETAC on 10 November of the issues identified. FETAC are now conducting an examination of the issues with FÁS, involving visits to all FÁS centres that request certificates from FETAC. Pending the finalisation of their examination and to ensure that errors do not occur on certificates, FETAC have decided to place a temporary hold on issuing certificates to FÁS learners in respect of award types which may be subject to the errors encountered. It is expected that the FETAC examination will be concluded later this month.

Residential Institutions Redress Scheme

5. **Deputy Michael Creed** asked the Tánaiste and Minister for Education and Skills if it is now accepted that victims of institutional abuse in the Magdalene laundries should be included in the residential redress scheme; and if she will make a statement on the matter. [46566/10]

Tánaiste and Minister for Education and Skills (Deputy Mary Coughlan): The Residential Institutions Redress Scheme was introduced in 2002 as an exceptional measure to address a very particular circumstance and was never intended to be a panacea for every injustice committed on children. The issue of including the Magdalen Laundries in the scheme was raised during the passage of the Residential Institutions Redress Bill and the request to include the laundries generally was not acceded to. However, in recognition of the fact that some children were transferred from scheduled institutions to laundries, section 1(3) of the Residential Institutions Redress Act 2002 provides that a child who was resident in a scheduled institution and who was transferred to a laundry where they suffered abuse while so resident, will be deemed, at the time of the abuse to have been resident in the scheduled institution.

Following the publication of the Ryan Report in May 2009, there were a range of demands for the redress scheme to be extended to include specific categories of institutions, including the Magdalen Laundries, as well as specific institutions. The Government considered these demands and in its statement of 15th April last noted that it did not propose to revise the arrangements. As the Deputy will be aware, the Irish Human Rights Commission recently published its assessment of a request to carry out an enquiry into the treatment of women and girls who resided in Magdalen Laundries. While the Commission has decided not to conduct an enquiry itself, as it is entitled to do under the legislation which established it, the Commission has recommended that a statutory mechanism be established to investigate the matters raised and in appropriate cases to grant redress where warranted. The Government has asked the Attorney General in consultation with relevant Departments to consider the Commission's report.

State Bodies

6. **Deputy Fergus O'Dowd** asked the Tánaiste and Minister for Education and Skills if any employee at senior management level of any State body or organisation under the auspices of her Department has received any bonus payment in the past 12 months; if so, the amounts received and the reasons for same; the person who made the decision to grant this payment and the reason for same; if this matter was referred to her or if she was informed of the matter; if so, the views she expressed; the response, if any, from the body concerned; the subsequent decision taken by such body; the rank of the recipient; and if she will make a statement on the matter. [46581/10]

Tánaiste and Minister for Education and Skills (Deputy Mary Coughlan): The position in relation to the issues raised is being checked with the bodies and organisations under the auspices of my Department. I will revert to the Deputy as soon as it becomes available.

Departmental Groups

7. **Deputy Ruairí Quinn** asked the Tánaiste and Minister for Education and Skills further to Parliamentary Question No. 77 of 30 November 2010, if she will provide the name or names of the person from each of the 12 organisations represented on the group; the persons who were present at each meeting; if minutes were taken at these meetings and circulated; the location of where the meetings took place; the cost per meeting in terms of the total travel and

[Deputy Ruairí Quinn.]

subsistence costs incurred; if she will publish the updates provided to the senior officials group; and if she will make a statement on the matter. [46632/10]

Minister of State at the Department of Education and Skills (Deputy Seán Haughey): Since the establishment of the Upskilling Co-ordination Group, there have been 10 meetings of the group to date and minutes have been taken and circulated at each meeting.

Organisations have been represented by different individuals at the 10 meetings of the group due to some individuals not being available to attend. Appendix A lists the names and organisations of those who attended each meeting. The Department of Enterprise Trade and Innovation held the meetings of the group in their offices in Dublin 2. However, since the Government restructuring earlier this year, the Department of Education and Skills chaired the last meeting which was held in Marlborough Street. It should be noted that neither Department has paid travel and subsistence costs incurred by individuals attending meetings of the group.

The Upskilling Co-ordination Group directly informs the ongoing monitoring and implementation of the National Skills Strategy through the participation of officials of my Department on the Group.

Appendix A

28 June 2007

Dermot Mulligan	DETE
Pat Hayden	DETE
John Daly	DETE
Denis Rowan	FAS
Martin Lynch	FAS
Roger Fox	FAS
Eileen Banks	Enterprise Ireland
Eamon Ryan	CEB
Alan Nuzum	Skillnets
Kay Hallahan	Forfas

14 Jan 2008

Dermot Mulligan	DETE
Pat Hayden	DETE
Niall Egan	DETE
Eamon Balmer	DETE
Ciara Phelan	DETE
Tony Hall	Enterprise Ireland
Laura Duggan	Enterprise Ireland
Denis Rowan	FAS
Martin Lynch	FAS
Alan Nuzum	Skillnets
Diane Dignam	Skillnets
Micheal Tunney	CEBs

 3 March 2008

Dermot Mulligan	DETE
Pat Hayden	DETE
Niall Egan	DETE
Ciara Phelan	DETE
Des O'Loughlin	DES
Tony Hall	Enterprise Ireland
Denis Rowan	FAS
Martin Lynch	FAS
Ian Menzies	Skillnets
Diane Dignam	Skillnets
Eamon Ryan	CEBs
Oisin Geoghan	CEBs

 7 July 2008

Dermot Mulligan	DETE
Padraig Creed	DETE
Niall Egan	DETE
Ciara Phelan	DETE
Seamus Hempenstall	DES
Tony Hall	Enterprise Ireland
Denis Rowan	FAS
Alan Nuzum	Skillnets
Carl Blake	Skillnets
Martin Shanahan	Forfas
Andrew Colgan	Forfas

 6 Oct 2008

Dermot Mulligan	DETE
Pat Hayden	DETE
Padraig Creed	DETE
Niall Egan	DETE
Ciara Phelan	DETE
Seamus Hempenstall	DES
Tony Hall	Enterprise Ireland
Martin Lynch	FAS
Joe McGuinness	FAS
Alan Nuzum	Skillnets
Carl Blake	Skillnets
Diane Dignam	Skillnets
Andrew Colgan	Forfas

[Deputy Seán Haughey.]

19 Jan 2009

Dermot Mulligan	DETE
Pat Hayden	DETE
John McDermott	DETE
Niall Egan	DETE
Eamon Balmer	DETE
Padraig Creed	DETE
Seamus Hempenstall	DES
Tony Hall	Enterprise Ireland
Joe McGuinness	FAS
Alan Nuzum	Skillnets
Diane Dignam	Skillnets
Marie Bourke	Forfas
Oisín Geoghegan	Fingal CEB
Greg Swift	Dublin CEB
Michael Moriarity	IVEA

18 Feb 2009

Pat Hayden	DETE
Padraig Creed	DETE
Niall Egan	DETE
Tony Hall	Enterprise Ireland
Martin Lynch	FAS
Joe McGuinness	FAS
Marie Bourke	Forfas
Conor Hand	Forfas
Oisín Geoghegan	Fingal CEB
Greg Swift	Dublin CEB

3 April 2009

Dermot Mulligan	DETE
Pat Hayden	DETE
John McDermott	DETE
Niall Egan	DETE
Eamon Balmer	DETE
Padraig Creed	DETE
Seamus Hempenstall	DES
Tony Hall	Enterprise Ireland
Joe McGuinness	FAS
Alan Nuzum	Skillnets
Andrew Colgan	Forfas
Marie Bourke	Forfas
Oisín Geoghegan	Fingal CEB
Margaret Ryan	National CEB

 3 April 2009

Greg Swift	Dublin CEB
Michael Moriarity	IVEA
Mary Armstrong	HEA
Dr Richard Thorn	IOTI

 8 June 2009

Dermot Mulligan	DETE
Pat Hayden	DETE
Vincent Landers	DETE
John McDermott	DETE
Padraig Creed	DETE
Tom Slevin	DES
John McGarr	Enterprise Ireland
Joe McGuinness	FAS
Liam Treacy	FAS
Alan Nuzum	Skillnets
Marie Bourke	Forfas
Oisin Geoghegan	Fingal CEB
Margaret Ryan	National CEB
Greg Swift	Dublin CEB
Michael Moriarity	IVEA
Louise Sherry	HEA
Dr Richard Thorn	IOTI

 15 July 2010

Minister Sean Haughey	DES
Dermot Mulligan	DES
Vincent Landers	DES
John McDermott	DES
Padraig O'Conail	DES
Niall Egan	DES
Paul Keating	DES
Fiona Gallagher	DES
Seamus Hempenstall	DES
Bryan Fields	FAS
Marie Bourke	Forfas
Andrew Colgan	Forfas
Diane Dignam	Skillnets
Carmel Moloney	Enterprise Ireland
Greg Swift	CEBs
Dr Mark Glyn	IOTI
Inez Bailey	NALA
Michael Moriarity	IVEA

Residential Institutions Redress Scheme

8. **Deputy Ruairí Quinn** asked the Tánaiste and Minister for Education and Skills with regard to the 18 religious teaching orders involved in the Residential Institutions Redress Board, if she will provide in terms of monetary value or property value in the case of properties, both the total sums pledged to the State and the sums outstanding or awaiting to be transferred to the State's accounts as of 1 December 2010 under the following headings, the 2002 contribution of €128 million, the €111 million cash transfer proposed in 2009, the €235 million property transfer proposed in 2009 and the outstanding €200 million contribution to ensure the €680 million target is reached in tabular form; and if she will make a statement on the matter. [46633/10]

Tánaiste and Minister for Education and Skills (Deputy Mary Coughlan): In relation to the €128m contribution by the eighteen Congregations under the 2002 Indemnity Agreement, the completion of legal arrangements in the case of 26 properties, valued at €25,880,465, remain outstanding, although the physical transfers of these properties have taken place. In addition, a potential shortfall of €160,000 has been projected between the value of properties to be transferred and the total amounts due under the Agreement. However, this is subject to change if good and marketable title cannot be realised on certain properties and the final shortfall or surplus will not be known until all properties are completed under the terms of the Indemnity Agreement. In response to the call for further substantial contributions following publication of the Ryan Report, the Congregations offered additional contributions, which they have valued at €348.51m. These contributions comprise some €111m cash to be provided over a number of years (including €4m towards the provision of counselling and therapeutic services); €2m by way of a waiver of rent and €235.51m in proposed property transfers to various State bodies and voluntary organisations. As was acknowledged at the time, the offers involved complex property proposals which would require detailed discussions with the Congregations to enable the State to adopt a definitive position in relation to them.

As the Deputy will be aware, having considered the report of the independent Panel appointed to assess statements of their affairs submitted by the Congregations and the responses of the Congregations, the Government outlined its view that the overall costs of the response to residential institutional abuse, should be shared on a 50:50 basis between the taxpayer and those responsible for the residential institutions. Assuming that the Congregations' offers of contributions are fully realised, the collective contribution of the Congregations would be €476.51m (including contributions made under the 2002 Indemnity Agreement), leaving a target of over €200m to reach the 50% share of some €680m. The Government has requested that additional contributions be provided to the greatest degree possible in cash as a contribution to the planned National Children's Hospital.

My Department, as lead Department handling these matters, has been liaising with the Congregations and the various State bodies to determine the potential use of the various property offers and their acceptability to the State. Meetings have taken place with all the Congregations at which the potential for them to augment their offers has been discussed. My Department will be reporting to Government shortly in relation to this matter. The Government is proposing to use €110m of the offers of contributions to be made by the religious Congregations over the next few years to establish a Statutory Fund. Following a wide ranging consultation process, my Department expects to report to Government shortly on the matter and will be submitting a Scheme of a Bill to provide for the Statutory Fund. To date €20.6m has been received in contributions towards the proposed Statutory Fund. These contributions have been deposited in an interest bearing account in the Central Bank of Ireland pending the establishment of the Statutory Fund. The attached table summarises the position as requested by the Deputy.

Contributions by Religious Congregations towards the costs of Redress

	Sums Pledged	Sums Realised	Sums Outstanding
	€m	€m	€m
2002 Indemnity Agreement			
Cash — original	28.44	28.44	
— adjustment	13.28	13.28	
Property — original	76.86	37.54	26.04
— adjustment	(13.28)		
Cash for Education Fund	12.70	12.70	
Counselling and Support Services	10.00	10.00	
Total	128.00	101.96	26.04
<i>Additional Contributions Offered 2009</i>			
Cash	113.0	20.60	92.40
Property (as valued by Congregations)	235.51		235.51
Total	348.51	20.60	327.91
Overall Total Contribution	476.51	122.56	353.95

An additional contribution of €203.49m is required to meet the target contribution of €680m.

Examination Fees

9. **Deputy Catherine Byrne** asked the Tánaiste and Minister for Education and Skills the reason young persons attending courses in carpentry, plumbing and so on in institutes of technology are being forced to pay fees for examinations and materials, which they simply cannot afford to pay; her views that this will prevent many young persons from gaining qualifications; and if she will make a statement on the matter. [46644/10]

Tánaiste and Minister for Education and Skills (Deputy Mary Coughlan): The apprenticeship training programme is delivered jointly by FÁS and the Institutes of Technology who have responsibility for delivering Phases 4 and 6 of the programme. Apprentices in employment receive a training allowance payable by FÁS for the duration of time they are studying in an Institute of Technology.

Since 2004 a pro rata student services charge has been levied on apprentices attending Phases 4 and 6 of their apprenticeship programme in the Institutes of Technology. This is equivalent to one third of the standard annual student services charge. FÁS meets approx 70% of this charge on behalf of the apprentice and the balance which covers examination fees is payable by the apprentice directly to the Institute of Technology.

In line with standard practice, an Institute of Technology may, at its sole discretion, waive the requirement to pay the examination fee, where, through its existing hardship assessment procedures, or otherwise, forms the opinion that there is a case to waive the fee.

Language Schools

10. **Deputy Deirdre Clune** asked the Tánaiste and Minister for Education and Skills if she will review the current status of a application with the Advisory Council for English Language Schools for operating a TEFL course by a company (details supplied); when the application

[Deputy Deirdre Clune.]

process will be progressed; the reasons for the delays; when this application will be decided upon; and if she will make a statement on the matter. [46647/10]

Tánaiste and Minister for Education and Skills (Deputy Mary Coughlan): Operational matters relating to the registration of providers in the English Language sector are handled by the Advisory Council for English Language Schools (ACELS), operating within the National Qualifications Authority of Ireland (NQAI). In view of this I have forwarded your query to the NQAI for direct reply to you.

School Staffing

11. **Deputy Fergus O'Dowd** asked the Tánaiste and Minister for Education and Skills the position regarding the proposed employment of qualified teachers in the classroom who will be in receipt of social welfare payments only; and if she will make a statement on the matter. [46656/10]

Tánaiste and Minister for Education and Skills (Deputy Mary Coughlan): The Public Service Agreement 2010-14 provides that there will be full support in the Civil Service and State agencies for programmes and initiatives to support and assist the unemployed, including the FÁS Work Placement Programme (WPP). My Department has recently issued a circular which permits schools to participate in this FÁS programme if they so wish. The programme will allow schools to apply to FÁS to take on one or more people for a work experience placement for between 25 and 40 hours a week and for a minimum of 2 months and a maximum of 9 months.

This involves a placement for a defined period, rather than employment, with the terms and conditions of the placement being provided for in the FÁS materials and being specified by each individual school as deemed appropriate. The WPP provides a mechanism for schools to offer placements to graduates and non-graduates from a wide variety of disciplines which has not existed up until now and provides an opportunity for schools to access skills and experience which may otherwise be unavailable. The individuals on placement will, in turn, have the opportunity to utilise and develop their own skills. Schools may choose to offer placements to teaching graduates. A registered teacher in a placement may undertake normal teaching duties where the BOM/VEC consider this appropriate and can make suitable arrangements. It is a condition of the programme that any placements must not displace an existing member of staff or be used to fill a vacant post. This provision includes substitute vacancies.

Departmental Staff

12. **Deputy Fergus O'Dowd** asked the Tánaiste and Minister for Education and Skills if any civil servant in her Department has received a bonus payment in the past 12 months; if so the amount received; the reason given for such payment; who made the decision to grant same; the rank or grade of the recipient; and if she will make a statement on the matter. [46661/10]

Tánaiste and Minister for Education and Skills (Deputy Mary Coughlan): I can confirm that no bonus payments have been awarded to Civil Servants at my Department in the past twelve months.

Question No. 13 answered with Question No. 4.

Property Valuations

14. **Deputy Richard Bruton** asked the Minister for Finance if his attention has been drawn to the upward revaluation of hotels which bears no relationship to earning capacity and if the

exceptional circumstances review clause which existed prior to 2001 should be restored for rateable valuation to provide temporary relief [46677/10]

Minister for Finance (Deputy Brian Lenihan): I should point out that the Commissioner of Valuation is independent in the exercise of his duties under the Valuation Act 2001 and I, as Minister for Finance, have no function in decisions in this regard. Under section 28 (4) of the Act, a Revision Officer of the Commissioner may carry out a revision of valuation in relation to a particular property only if a material change of circumstances (MCC) has occurred since the property was last revised. MCC is defined in section 3 of the Act as a change of circumstances, which consist of a new building, a change in value due to structural alterations of an existing building, total or partial demolition of a building or a sub-division or amalgamation of relevant property.

The definition does not allow for a revision of valuation where the change in value is due to economic factors, differential movements in property values or other external factors such as roads or other infrastructural development in the vicinity of a property. The valuation of all commercial property, including hotels, is determined by reference to the values of comparable properties on the same valuation list. It is acknowledged that all property owners/occupiers, including the hospitality sector, are currently facing economic challenges and the only means, under statute, by which external influences on individual property values can be adequately addressed by the Commissioner, is through the national revaluation programme which is currently underway.

However, as was mentioned in the adjournment debate in the Dáil on 12th October 2010, the Valuation Act 2001, which has been in operation for eight years, is being reviewed. The Commissioner is now examining certain provisions of the Act with a view to bringing forward reform proposals and in the context of this review, the various issues surrounding the “material change of circumstances” have been included in the deliberations.

Tax Code

15. **Deputy Jack Wall** asked the Minister for Finance if a person (details supplied) in County Kildare is due a tax rebate for 2006 to 2009, inclusive; and if he will make a statement on the matter. [46547/10]

Minister for Finance (Deputy Brian Lenihan): I am advised by the Revenue Commissioners that the person concerned did not pay tax during the years 2006 and 2007. While she did pay tax during the year 2008 no refund is due. For the year 2009 a tax refund is due and will issue shortly to the person concerned.

State Bodies

16. **Deputy Fergus O'Dowd** asked the Minister for Finance if any employee at senior management level of any State body or organisation under the auspices of his Department has received any bonus payment in the past 12 months; if so, the amounts received and the reasons for same; the person who made the decision to grant this payment and the reason for same; if this matter was referred to him or if he was informed of the matter; if so, the views he expressed; the response, if any, from the body concerned; the subsequent decision taken by such body; the rank of the recipient; and if he will make a statement on the matter. [46584/10]

Minister for Finance (Deputy Brian Lenihan): The information requested by the Deputy in relation to bodies under the aegis of my Department is as follows:

[Deputy Brian Lenihan.]

National Treasury Management Agency

With the exception of the Chief Executive, all staff of the National Treasury Management Agency (NTMA) have individual contracts of employment which are negotiated on an individual contract basis by the Agency and are confidential. The remuneration arrangements specified in these contracts include, in most cases, a performance-related pay element. In 2010, the Agency made performance-related payments to staff for the year ended 31 December 2009. However, it also secured an 8% reduction in overall remuneration for its existing staff complement in 2010 compared with 2009.

The terms and conditions of the Chief Executive, including remuneration, are determined by the Minister for Finance after consultation with the Advisory Committee of the NTMA. As the terms of remuneration are subject to individual contract, I regard the information sought on the amount of the bonus payment as private. I can, however, confirm that, in 2010, a bonus of €200,000 was paid to the former Chief Executive of the NTMA in respect of 2009.

An Post National Lottery

As set out in the Annual Report, the Chief Executive voluntarily waived his entitlement to performance related pay for 2009.

Public Private Partnerships

17. **Deputy Billy Timmins** asked the Minister for Finance the position regarding a matter (details supplied); and if he will make a statement on the matter. [46593/10]

Minister for Finance (Deputy Brian Lenihan): Under the terms of the present delegated sanction arrangements covering capital expenditure, the approval of the Department of Finance must be sought by a line department before it can enter into a new contractual arrangement for a PPP project. That approval process assesses the affordability of the project having regard to agreed financial allocations. In light of the recently agreed financial allocations under the Government's Four Year Plan for the Department of Transport, my Department has considered the proposal for the N11 and Newlands Cross project and issued approval to proceed. It is the responsibility of the National Roads Authority and its parent Department, the Department of Transport, to ensure that this project is delivered on time and within budget and in accordance with the mandatory value for money guidelines.

Tax Code

18. **Deputy John Browne** asked the Minister for Finance the reason for the delay in approving a refund for stamp duty to a person (details supplied) in County Wexford despite the fact that all documentation has been submitted to the Revenue Commissioners [46600/10]

Minister for Finance (Deputy Brian Lenihan): I have been advised by the Revenue Commissioners that a refund of stamp duty under the relief available for transfers to young trained farmers can be granted where the purchasers meet, in full, the qualifications and conditions set down in Section 81A(8) Stamp Duties Consolidation Act 1999. As both of the purchasers did not meet these conditions in full and as they were not spouses at the time of transfer, they do not qualify for the relief and therefore a refund of stamp duty does not arise. Should the person in question wish to appeal this decision, she may do so under the provisions of Section 21 (2) Stamp Duties Consolidation Act 1999.

Tax Relief

19. **Deputy Joan Burton** asked the Minister for Finance the conditions under which tax relief on loan interest is claimable by taxpayers; if the provision of tax relief is contingent on loan interest being made and the loan being serviced; the circumstances in which a borrower involved in construction or property development could attract tax relief on interest charged on a loan but where that interest is not being paid or is in arrears; the extent this tax relief can be off-set against other income; and if he will make a statement on the matter. [46634/10]

Minister for Finance (Deputy Brian Lenihan): I am informed by the Revenue Commissioners that interest is allowed in computing trading profits or losses, including profits or losses arising in a construction or property development trade, to the extent that it is incurred wholly and exclusively for the purposes of the trade involved. As with other trading deductions, interest is allowable based on accounting principles and where an accrual of interest arises, a deduction would generally be available where interest is charged on a business loan even though the interest may not yet be paid. Where interest is not paid and the debt is released then, where a deduction had been allowed in calculating trading profits, the amount of interest released is treated as a trading receipt in the period in which the release happens. For rental income purposes, 75% of the interest on borrowings used in the purchase, improvement or repair of a rental property is an authorised deduction for rental income purposes. The authorised deductions, including interest, are computed as if the person entitled to the rent was carrying on a trade in relation to the let property. This means that, as with trades, a deduction for interest on a rental property loan would be on the basis of interest accrued.

I am also informed by the Revenue Commissioners that tax relief is available, subject to certain terms, conditions and restrictions, to individuals in respect of interest paid on monies borrowed for the purchase, repair, development or improvement of the individual's sole or main residence (i.e. mortgage interest relief). Relief may only be claimed for the tax year in which the interest is paid and is usually granted through the Tax Relief at Source (TRS) system.

Tax relief is also available, subject to certain terms and conditions, for the purpose of acquiring an interest in, or making a loan to, a company, or for the purpose of acquiring an interest in a partnership. Relief may only be claimed for the tax year in which the interest is paid. There is no restriction on the amount of interest in respect of which relief can be claimed.

Similarly, relief for interest treated as a charge on a company's income, rather than as a deduction in computing its profits, for example interest on a loan applied in acquiring an interest in another company, is allowed in the accounting period in which it is paid.

Finally, as respects the extent to which a deduction for interest can be set off against other income, I am informed that where an interest deduction creates or increases a trading loss, that loss is, in the case of a sole trader, available for offset against other income in the same year or it may be carried forward for offset against profits of the same trade in subsequent years. The treatment of trading losses arising to corporates is quite complex and is dependent on a number of factors, including the nature of the company's trade. However, trading losses for an accounting period may be carried forward as above and may also, subject to restrictions, be used in the same or prior accounting period. Restrictions are also in place in relation to the utilisation of losses on residential development land.

Rental losses on Irish property may only be offset against the profits from the letting of Irish property in subsequent years.

20. **Deputy Joan Burton** asked the Minister for Finance the amount of tax relief allowed on interest on property related borrowings for each year from 2000 to date in 2010 for personal

[Deputy Joan Burton.]

residential property that is mortgage interest relief, rental properties and other property or construction sector loans; and if he will make a statement on the matter. [46635/10]

Minister for Finance (Deputy Brian Lenihan): I am informed by the Revenue Commissioners that the relevant information available is in respect of the estimated cost of mortgage interest relief on borrowings for the purchase, repair, development or improvement of a principal private residence and also for interest on borrowings used in the purchase, improvement or repair of a rental property. The available information is set out in the following table:

Estimated Cost

Tax Year	Interest Relief (Residential)	Interest Relief (Rental)
	€m	€m
2000	199	N/A
2001*	169	N/A
2002	193	N/A
2003	221	222
2004	232	284
2005	280	393
2006	350	594
2007	545	877
2008	705	1,150
2009	486	N/A
2010 (11 months)	340	N/A

*Short tax year.

Mortgage interest relief on borrowings for the purchase, repair, development or improvement of a principal private residence was given by way of tax relief at source (TRS) with effect from 2002.

The information provided for interest relief for rental property is based on claims for interest relief on all rental properties included in personal income tax returns filed by non-PAYE taxpayers declaring interest on borrowings to be offset against rental income assessable under Case V, Schedule D. It is not possible to separately identify how much of this cost is associated with residential property. It should be noted that any corresponding data returned by PAYE taxpayers in the income tax return form 12 is not captured in the Revenue computer system. However, any PAYE taxpayer with non-PAYE income greater than €3,174 is required to complete an income tax return form 11. This return is the source of the figures provided in this reply.

The estimates for rental property are based on assuming tax relief to be allowed at the top income tax rate of 42% (up to 2006) and 41% for later years and the figures provided could therefore be regarded as the maximum Exchequer costs in respect of those taxpayers.

I am advised by the Revenue Commissioners that they are not in a position to provide data on rental property for 2009 and 2010 as the tax returns have either just been recently filed or are not yet due. The figures for 2008 are subject to adjustment in the event of late returns being filed or where returns already filed are subsequently amended. Corresponding suitable data is not available for the years 2000 to 2002.

The Deputy will no doubt be aware that the level at which interest repayments can be claimed against tax for residential rental properties was reduced from 100% to 75% in section 5 of the Finance Act 2009 at an estimated full year yield of €95 million.

Data in relation to interest paid that has been claimed as a deduction against corporation tax by companies involved in the property or construction sectors is only available for the tax years 2007 and 2008. It is tentatively estimated that the maximum cost, assuming the standard rate of corporation tax, of allowing a deduction for interest payable by these companies was in the region of €129 million for 2007 and €165 million for 2008. This does not take into account that some companies may not have had enough profits to absorb all of these expenses and includes the potential cost associated with all allowable interest payments by these companies.

The sector identifier on the tax records that is used to identify the property or construction sectors is based on the 4-digit NACE code (Rev. 1), which is an internationally recognised economic activity code system.

Tax Code

21. **Deputy Joe McHugh** asked the Minister for Finance further to Parliamentary Question No. 67 of 2 December 2010, his views on whether the referenced statutory requirement imposes unfair difficulties on genuine families, including citizens of this State who have lived in Northern Ireland and have now returned to live at home in this jurisdiction; if he will review the statutory instrument; and if he will make a statement on the matter. [46641/10]

Minister for Finance (Deputy Brian Lenihan): As outlined in my previous response the vehicle that is the subject of this question was granted a permanent exemption from the payment of VRT in November 2010 under Section 134 (1)(a) of the Finance Act 1992. The exemption was granted to the registered owner of the vehicle and, accordingly, under the conditions detailed in Regulation 4(6) of Statutory Instrument No. 59 of 1993, the registered owner and he alone is permitted to drive the vehicle in the State until November 2011. The decision to grant exemption from payment of VRT carries a certain statutory requirement which must be met in return for the exemption. I do not accept that such requirement imposes any unfair difficulties for any citizen especially given the level of relief being provided. Consequently, I have no plans to review the Statutory Instrument in question.

22. **Deputy Andrew Doyle** asked the Minister for Finance the amount the flat rate VAT refund to farmers has cost the Exchequer in each of the past five years, including the current year; if he will provide a breakdown of VAT refunds on capital investments and VAT refunds on goods and services; and if he will make a statement on the matter. [46643/10]

Minister for Finance (Deputy Brian Lenihan): I am informed by the Revenue Commissioners that the cost to the Exchequer of applying the Farmers Flat Rate refund scheme is tentatively estimated as follows:

Year	€m
2006	195
2007	209
2008	229
2009	244
2010	180

[Deputy Brian Lenihan.]

The figures of aggregated VAT refunds made to VAT unregistered farmers under the VAT (Refund of Tax) (No. 25) Order 1993 in respect of capital investments and certain goods and services for the years 2005 to 2009 inclusive, the latest year for which the information is available, are as follows.

Year	€m
2005	32.0
2006	38.7
2007	60.3
2008	156.4
2009	176.6

Statistical data are not available in such a way as to enable a distinction to be made between refunds for capital investments and refunds in relation to goods and services.

Department Staff

23. **Deputy Fergus O'Dowd** asked the Minister for Finance if any civil servant in his Department has received a bonus payment in the past 12 months; if so the amount received; the reason given for such payment; who made the decision to grant same; the rank or grade of the recipient; and if he will make a statement on the matter. [46664/10]

Minister for Finance (Deputy Brian Lenihan): Following is the information requested by the Deputy.

Assistant Secretary Awards

Following recommendations made by the Review Body on Higher Remuneration in the Public Sector, schemes of performance-related awards were introduced for the levels of **Deputy Secretary and Assistant Secretary** in the civil service, as well as for the Deputy Commissioner and Assistant Commissioner ranks in the Garda Síochána and the ranks of Brigadier General and Major General in the Defence Forces.

The schemes of awards are based on performance by reference to demanding targets. The pool for performance awards is 10% of the pay bill for the group concerned. Within that overall limit individuals can receive payments of up to 20% of pay.

Following my announcement on 5 February 2009 relating to the discontinuation of the scheme for Assistant Secretaries, Deputy Secretary and related grades subject to consultation with the relevant Staff Associations, there is now no specific provision for payment under this scheme.

This scheme was the only full bonus scheme in operation in the civil service. The following arrangements which apply to other grades provide for reward for exceptional merit or effort in particular cases.

Special Service Payments

Principals and Assistant Principals have a separate scheme which arises as a result of the restructuring agreement for these grades under the Programme for Competitiveness and Work.

It provides that 1% of payroll for these grades be made available in the form of Special Service Payments, for which staff are invited to apply, based on the following criteria:

- contribution by the individual to the work of the Department in his/her job;
- special demands of the job;
- experience brought to the job.

19 staff members at Principal and Assistant Principal received special service payments for 2008 in the amount of €53,394.

27 staff members at Principal and Assistant Principal received special service payments for 2009 in the amount of €55,670.

Seniority Allowances

52 staff members at Principal and Assistant Principal received seniority allowances during 2010 in the amount of €115,395.44.

Merit Awards

In 1993, the then Minister for Finance sanctioned expenditure in respect of Merit Awards to individual staff members or groups of **staff below Assistant Secretary level** by way of recognition for exceptional performance of duty which was based on 0.1% of the salary allocation (as published in the Revised Estimates) in any one calendar year. This percentage was revised to 0.2% in 1998.

An independent committee administers the Merit Awards scheme up to AO/HEO level; an Assistant Secretary group administers the Awards at Assistant Principal and Principal level. Nominees for the annual Merit Awards must, during the year, have demonstrated one or more of the following criteria:

- given an exceptional performance in some aspect of his/her work;
- demonstrated unusual commitment and dedication to some aspect of his/her work;
- made a notable contribution to the successful achievement of the section's targets.

In March 2009, it was decided in light of the budgetary position, to suspend the merit award scheme.

Staff Suggestion Scheme

The Departmental Partnership Committee (DPC) agreed to the reactivation of the Staff Suggestion Scheme within the Department of Finance on a trial basis for 2 years. The revised scheme came into effect on 1 April 2009. The purpose of the Scheme is to facilitate and encourage the submission of suggestions by eligible staff aimed at improving Department of Finance operations/efficiency.

- One staff member (Clerical Officer) was awarded €500 to be paid in two annual instalments of €250. The savings accruing to the Department exceeded the cost of the reward.

Ex-gratia payments are made in a number of situations which are outside the remit of the schemes already mentioned.

[Deputy Brian Lenihan.]

Two staff members received ex-gratia payments during 2010 as follows:

- A Higher Executive Officer for her work in recovering outstanding money due to the Department was awarded €1,000. Following this, new monitoring and control measures have been put in place to ensure the situation does not recur.
- A Clerical Officer who worked over and above her normal duties following the resignation of her supervisor was awarded €500.

Medical Cards

24. **Deputy Charlie O'Connor** asked the Minister for Health and Children the arrangements now in place to deal with inquiries regarding medical card applications and associated issues in the Tallaght area; her views on the service previously provided in this regard at the Mary Mercer health centre in Jobstown; the position regarding same; and if she will make a statement on the matter. [46530/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

Health Services

25. **Deputy Ciarán Lynch** asked the Minister for Health and Children when a decision will be taken on an appeal in respect of a person (details supplied) in County Cork; and if she will make a statement on the matter. [46540/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

National Treatment Purchase Fund

26. **Deputy Paul Connaughton** asked the Minister for Health and Children the reason an operation for the removal of a wisdom tooth cannot be arranged under the National Treatment Purchase Fund in respect of a person (details supplied) in County Galway; and if she will make a statement on the matter. [46549/10]

Minister for Health and Children (Deputy Mary Harney): The National Treatment Purchase Fund arranges treatment, including the removal of wisdom teeth, for patients who have been on a surgical waiting list for more than three months. It is open to the person in question or anyone acting on their behalf to contact the Fund directly in relation to their case.

The management of waiting lists generally is a matter for the HSE and the individual hospitals concerned therefore, I have referred the Deputy's question to the Executive for direct reply.

Hospital Services

27. **Deputy Paul Connaughton** asked the Minister for Health and Children the reason a person (details supplied) in County Galway is not entitled to have an operation carried out at Merlin Park hospital; and if she will make a statement on the matter. [46550/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter, it has been referred to the HSE for direct reply.

However, I would like to advise the Deputy the Health Act 1970 (as amended) provides that, subject to limited statutory charges, all persons ordinarily resident in the country are eligible for all in-patient and out-patient public hospital services, including consultant services. The scheduling of patients for treatment is a matter for the hospital concerned and is determined on the basis of clinical need. Should the patient's general practitioner consider that the patient's condition warrants an early appointment, he or she would be in the best position to take the matter up with the hospital.

Health Services

28. **Deputy Joanna Tuffy** asked the Minister for Health and Children when a person (details supplied) in County Meath will receive an appointment for a dental procedure; the reason for the delay in granting the appointment; and if she will make a statement on the matter.

[46552/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter it has been referred to the HSE for direct reply.

29. **Deputy Joanna Tuffy** asked the Minister for Health and Children if her attention has been drawn to the significant waiting times for dental appointments in County Meath; and if she will make a statement on the matter. [46553/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter it has been referred to the HSE for direct reply.

Mental Health Services

30. **Deputy Joanna Tuffy** asked the Minister for Health and Children if she will provide details for all mental health services and support services in each of the Health Service Executive administrative areas; the addresses and the services they provide; and if she will make a statement on the matter. [46554/10]

Minister of State at the Department of Health and Children (Deputy John Moloney): As this is a service matter the question has been referred to the HSE for direct reply.

Social Welfare Appeals

31. **Deputy Martin Ferris** asked the Minister for Health and Children when an appeal on supplementary welfare allowance will be heard in respect of a person (details supplied) [46556/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter, it has been referred to the HSE for attention and direct reply to the Deputy.

Medical Cards

32. **Deputy Martin Ferris** asked the Minister for Health and Children when a decision on an application for a medical card will issue in respect of a person (details supplied) [46557/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

Child Care Services

33. **Deputy Ruairí Quinn** asked the Minister for Health and Children the action taken following an assessment by the Health Service Executive through Beechpark services in the case of a child (details supplied) in County Dublin; if the necessary supports will be provided; and if she will make a statement on the matter. [46570/10]

Minister of State at the Department of Health and Children (Deputy John Moloney): As the Deputy's question relates to service matters, I have referred the question to the Health Service Executive for direct reply.

Health Services

34. **Deputy Finian McGrath** asked the Minister for Health and Children the number of cases in the west in 2006, 2007, 2008, 2009 and to date in 2010 where settlements were made to members of staff and their families due to false accusations that were not given the fairness of due process and if she will confirm the overall figure of financial settlements paid out for each year [46571/10]

35. **Deputy Finian McGrath** asked the Minister for Health and Children the number of cases in the west in 2006, 2007, 2008, 2009 and to date in 2010 where settlements were made to non-staff members and their families due to false accusations that were not given the fairness of due process and if she will confirm the overall figure of financial settlements paid out for each year [46572/10]

Minister for Health and Children (Deputy Mary Harney): I propose to take Questions Nos. 34 and 35 together.

As this is a service matter, it has been referred to the HSE for attention and direct reply to the Deputy.

36. **Deputy Finian McGrath** asked the Minister for Health and Children the number of cases in 2006, 2007, 2008, 2009 and to date in 2010 where settlements were made to members of staff and their families due to false accusations that were not given the fairness of due process and if she will confirm the overall figure of financial settlements paid out for each year [46573/10]

37. **Deputy Finian McGrath** asked the Minister for Health and Children the number of cases in 2006, 2007, 2008, 2009 and 2010 where settlements were made to non-staff members and their families due to false accusations that were not given the fairness of due process and if she will confirm the overall figure of financial settlements paid out for each year [46574/10]

Minister for Health and Children (Deputy Mary Harney): I propose to take Questions Nos. 36 and 37 together.

As this is a service matter, it has been referred to the HSE for attention and direct reply to the Deputy.

State Bodies

38. **Deputy Fergus O'Dowd** asked the Minister for Health and Children if any employee at senior management level of any State body or organisation under the auspices of her Department has received any bonus payment in the past 12 months; if so, the amounts received and the reasons for same; the person who made the decision to grant this payment and the reason

for same; if this matter was referred to her or if she was informed of the matter; if so, the views she expressed; the response, if any, from the body concerned; the subsequent decision taken by such body; the rank of the recipient; and if she will make a statement on the matter. [46586/10]

Minister for Health and Children (Deputy Mary Harney): The Performance Related Award Schemes in operation in non-commercial State-sponsored bodies were introduced following a decision by the Government on the implementation of the recommendations of the Review Body on Higher Remuneration in the Public Sector.

Awards made under the schemes approved by my Department and the Department of Finance are a matter for the Boards of the non-commercial State-sponsored bodies concerned and must be in accordance with the principles set out by the Review Body. In this regard, awards should be related to the achievement of highly demanding and challenging targets and stretch objectives which are difficult but not impossible to achieve.

The schemes are currently suspended and no awards were made in respect of 2009 or 2010.

39. **Deputy Tom Sheahan** asked the Minister for Health and Children the cost of legal fees incurred by An Bord Altranais for years ending 2008 and 2009. [46594/10]

Minister for Health and Children (Deputy Mary Harney): I am advised by on An Bord Altranais that it incurred legal fees of €1,479,342 in 2008 and €935,780 in 2009. These fees relate to fitness to practise cases.

Health Service Staff

40. **Deputy Joanna Tuffy** asked the Minister for Health and Children if replacement staff will be provided for two orthodontists (details supplied) who are due to take maternity leave in the new year and if so, when will the replacement staff will take up their duties; and if she will make a statement on the matter. [46625/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter it has been referred to the HSE for direct reply.

Medical Cards

41. **Deputy Catherine Byrne** asked the Minister for Health and Children if a decision has been made on a medical card appeal in respect of a person (details supplied) in County Donegal; and if she will make a statement on the matter. [46645/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

42. **Deputy Michael Ring** asked the Minister for Health and Children when a medical card will issue in respect of persons (details supplied) in County Mayo. [46646/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

General Practitioner Co-operatives

43. **Deputy Jan O'Sullivan** asked the Minister for Health and Children her plans to change and co-ordinate the operations of the various out-of-hours general practitioner services; if, in particular, it is planned to bring Southdoc under the administration of the Health Service

[Deputy Jan O’Sullivan.]

Executive; the way that will affect persons employed in the service in positions other than doctors; and if she will make a statement on the matter. [46648/10]

Minister for Health and Children (Deputy Mary Harney): General Practitioner (GP) out-of-hours co-operatives are an essential part of our primary care services and help to ensure that, to the greatest extent possible, care needs are met in the primary care setting. While there is no obligation on GPs to participate in co-operatives, GPs contracted under the General Medical Services Scheme must make suitable arrangements to enable contact to be made with them (or a locum/deputy) for emergencies outside normal practice hours. Co-operatives provide an ideal facility to enable GPs to discharge this obligation.

There were over 983,000 contacts with GP out-of-hours co-operatives in 2009 and the total cost of funding out-of-hours services was in the region of €110 million.

A National Review of GP Out-of-Hours Services was published by the HSE in March 2010. It is the first national review to be undertaken since the commencement of publicly funded GP co-operatives in 1999. It reviewed the 9 GP co-operatives and the 4 extended-hours services that are currently in place.

The Review makes a series of recommendations designed to strengthen and standardise out-of-hours services across the country, including:

- Out-of-hours services to be extended to cover parts of the country where there is currently no such provision. Each of the 4 HSE regions will now engage with non-participating GPs with the aim of ensuring full out-of-hours coverage nationally.
- The number of call centres to be reduced from 7 to 4.

A working group comprising representatives from the HSE, the Irish Medical Organisation and the Irish Association of General Practitioner Co-operatives has been established to advance the implementation of the recommendations.

As the aspects of the Deputy’s question concerning Southdoc relate to the management and delivery of health and personal social services, which are the responsibility of the HSE, my Department has requested the Parliamentary Affairs Division of the Executive to arrange to address these matters and to have a reply issued directly to the Deputy.

Medical Cards

44. **Deputy Darragh O’Brien** asked the Minister for Health and Children the position regarding an application for a medical card in respect of a person (details supplied) in County Dublin; and if she will make a statement on the matter. [46650/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

Departmental Staff

45. **Deputy Fergus O’Dowd** asked the Minister for Health and Children if any civil servant in her Department has received a bonus payment in the past 12 months; if so the amount received; the reason given for such payment; who made the decision to grant same; the rank or grade of the recipient; and if she will make a statement on the matter. [46666/10]

Minister for Health and Children (Deputy Mary Harney): No staff member in my Department has received a bonus payment in the last twelve months.

State Bodies

46. **Deputy Fergus O'Dowd** asked the Minister for Transport if any employee at senior management level of any State body or organisation under the auspices of his Department has received any bonus payment in the past twelve months; if so, the amounts received and the reasons for same; the person who made the decision to grant this payment and the reason for same; if this matter was referred to him or if he was informed of the matter; if so, the views he expressed; the response, if any, from the body concerned; the subsequent decision taken by such body; the rank of the recipient; and if he will make a statement on the matter. [46591/10]

Minister for Transport (Deputy Noel Dempsey): The payment of bonus payments is a matter for the Board of the State Company concerned. Under the Minister for Finance's Guidelines on Contracts, Remuneration and other Conditions of Chief Executives and Senior Management of Commercial State Bodies, a representative of my Department attends and contributes views at the Remuneration Committee meeting of each commercial State body where bonus payments for Chief Executives are being considered.

I wrote to each commercial State body in February 2009 requesting that consideration be given by the Board to achieving a significant reduction in or elimination of bonus awards to Chief Executives payable for 2009 and also 2010.

Under the above guidelines, details of any bonus payments made are required to be published in the annual accounts of the State body.

I also wrote to non-commercial State bodies in May 2009 stating that it would be appropriate that consideration of any bonus payments to Chief Executive Officers be suspended pending the issue of further guidelines from the Department of Finance. These issued in February 2010 and requested that bonus schemes in non-commercial bodies be suspended indefinitely.

Bonuses awarded to senior management level employees of State Bodies other than the Chief Executive Officer are a matter for the agencies involved.

Departmental Staff

47. **Deputy Fergus O'Dowd** asked the Minister for Transport if any civil servant in his Department has received a bonus payment in the past 12 months; if so the amount received; the reason given for such payment; who made the decision to grant same; the rank or grade of the recipient; and if he will make a statement on the matter. [46671/10]

Minister for Transport (Deputy Noel Dempsey): No civil servant in my Department has received a bonus payment in the past 12 months.

Employment Rights

48. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Justice and Law Reform if his attention has been drawn to the fact that seven domestic workers employed by diplomats have complained to the Labour Relations Commission about their treatment by their employers, and that three of these cases are so serious they have been referred to the Garda anti-trafficking unit; and if he will introduce measures similar to those in place in Belgium, Germany and Britain, where diplomatic visas are issued with stipulations that diplomatic employers comply with an existing code of practice on the protection of their domestic staff. [46462/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): I would refer the Deputy to the reply given on 7 December 2010 (Question No. 216) by my colleague the Minister for Foreign Affairs in response to a similar question. In that reply the Minister for Foreign Affairs

[Deputy Dermot Ahern.]

set out the actions being taken by his Department, which oversees the operation in this State of the Vienna Convention on Diplomatic Relations 1961, in respect of private servants/domestic workers at embassies.

My Department has no function in relation to matters that involve the Labour Relations Commission. In relation to allegations concerning alleged criminal behaviour, as the Deputy is aware, these are matters for investigation by the Garda Síochána.

In the matter of visas and visa policy generally in respect of so-called domestic workers, my Department continues to liaise closely with the Department of Enterprise, Trade and Innovation and the Department of Foreign Affairs.

Garda Training

49. **Deputy Michael D. Higgins** asked the Minister for Justice and Law Reform if there are specific regulations which apply to the use of batons by gardaí; if there are areas of the body which are precluded from being targeted during the use of a baton; and if he will make a statement on the matter. [46544/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): I have sought the information required from the Garda authorities and I will revert to the Deputy as soon as it is received.

Prison Facilities

50. **Deputy Joe Costello** asked the Minister for Justice and Law Reform if there are shops in each of the prisons throughout the country; the person who runs the shops in each prison; the person who benefits from the profits; the turnover in each of the past five years; the profit in each case in each of the past five years; and if he will make a statement on the matter. [46563/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): There is a tuck shop operating in each prison which is operated and staffed by the Irish Prison Service. Profits from the prisoner purchases are used to support prisoners through the Prisoner Assist Programme Fund. The operation of the tuck shops is currently under review by the Irish Prison Service. I hope the Deputy will understand however that the financial information requested is commercially sensitive as the outcome of this review may result in a national or EU tender.

Garda Recruitment

51. **Deputy Aengus Ó Snodaigh** asked the Minister for Justice and Law Reform if he will confirm that the moratorium on Garda recruitment has been lifted; when the proposed recruitment drive for garda trainees is likely to commence, if he still stands by his commitment that the campaign would begin in 2010; and if he will make a statement on the matter. [46569/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): The moratorium on recruitment and appointments continues to apply to An Garda Síochána with provisions for exceptions following agreement with the Minister for Finance. The purpose of organising a recruitment campaign earlier this year was to begin the process of establishing a panel of potential applicants who could go on to be recruited as members of An Garda Síochána. This early planning is essential considering that the recruitment and training process — from initial formal application to attestation as a sworn member — could take up to 14 months to complete.

Since that announcement was made, the National Recovery Plan 2011- 2014 was developed and published. The plan provides for a reduction in the number of members of An Garda

Síochána to 13,000 by the end of 2014. This reduction, and the rate at which it is achieved through retirements, will be taken into account in determining when recruitment will commence.

State Bodies

52. **Deputy Fergus O'Dowd** asked the Minister for Justice and Law Reform if any employee at senior management level of any State body or organisation under the auspices of his Department has received any bonus payment in the past 12 months; if so, the amounts received and the reasons for same; the person who made the decision to grant this payment and the reason for same; if this matter was referred to him or if he was informed of the matter; if so, the views he expressed; the response, if any, from the body concerned; the subsequent decision taken by such body; the rank of the recipient; and if he will make a statement on the matter. [46587/10]

64. **Deputy Fergus O'Dowd** asked the Minister for Justice and Law Reform if any civil servant in his Department has received a bonus payment in the past 12 months; if so the amount received; the reason given for such payment; who made the decision to grant same; the rank or grade of the recipient; and if he will make a statement on the matter. [46667/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): I propose to take Questions Nos. 52 and 64 together.

No bonus payments have been made to civil servants in my Department or to senior management in any State Body or organisation under the aegis of my Department in the last twelve months.

Prison Facilities

53. **Deputy Ciarán Lynch** asked the Minister for Justice and Law Reform the number of hours the library in each prison is scheduled to open each week; the percentage of scheduled opening times that these libraries were actually open from June to October 2010 inclusive; and if he will make a statement on the matter. [46615/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): Library facilities are available in all prisons. The majority are managed by qualified staff from the Local Authority Library Services whose salary costs are refunded by the Irish Prison Service. Prison staff assist the librarian staff and operate library services in some prisons. The information requested by the Deputy is set out in the following table in relation to nine prisons.

Prison	Scheduled Opening Hours (per week)	% hours open June – October 2010
Midlands	32	33
Portlaoise	36.5	80
Cloverhill	35	65
Mountjoy	35	27
St Patrick's Institution	35	100
Wheatfield	28	23
Loughan House	7	79
Shelton Abbey	10	83
Castlerea	20	28

[Deputy Dermot Ahern.]

In relation to the other five prisons comparable data is not available. These prisons operate varying access arrangements structured to reflect demand including, scheduled and ad hoc opening hours. The Deputy will be aware that the Irish Prison Service, in common with the Public Service in general, has been affected by the moratorium on recruitment. Library opening hours were restricted in most prisons over this period because of the need to re-allocate staff to other priority functions. Where it is necessary to reassign certain staff members to frontline areas for security and operational reasons this is done on a rotational basis to ensure minimum disruption.

Prison Accommodation

54. **Deputy Ciarán Lynch** asked the Minister for Justice and Law Reform the number of persons in prison and the number in each institution; the total number of prisoners not held in single cells or rooms and the number of these in each institution; and if he will make a statement on the matter. [46616/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): The information requested by the Deputy is set out in the following table. The information is as of 7 December 2010.

Prison/Place of Detention	Number in Custody	Number in custody not held in single cells
Arbour Hill	155	71
Castlerea	382	256
Cloverhill	464	425
Cork	320	308
Dóchas Centre	136	90
Limerick	296	224
Limerick (female)	38	24
Loughan House	103	32
Midlands	560	225
Mountjoy	697	434
Portlaoise	258	107
Shelton Abbey	89	49
St. Patrick's Institution	210	101
Training Unit	112	37
Wheatfield	596	379
Total	4,416	2,762

As the Deputy will appreciate the Irish Prison Service must accept all prisoners committed by the Courts into its custody. It is the case that there has been a consistent increase in the total prisoner population over recent years. This situation is particularly apparent over the past 12 months during which time the total number in custody has increased by 365. This represents a rise of over 9% in the numbers in custody.

The Irish Prison Service has been engaged in an extensive programme of investment in prisons infrastructure which has involved both the modernisation of the existing estate and the provision of extra prison spaces. Since 1997 in excess of 1,930 new prison spaces have come on stream in the prison system. These include the new prisons in Castlerea, the Midlands,

Cloverhill and the Dóchas Centre, new accommodation in Limerick, Portlaoise, Castlerea and Wheatfield prisons and at the open centres in Shelton Abbey and Loughan House.

The Irish Prison Service plans to commence construction later this month on a new accommodation block in the Portlaoise/Midlands prisons complex which will provide 300 prison spaces in the medium term. Work is also due to commence in the short term on converting an administrative building on the Dóchas site into a new accommodation block which will provide 70 spaces.

The Deputy will also be aware of the Government's commitment to developing a new prison campus at Thornton Hall, County Dublin. The new prison facility will provide accommodation for 1,400 prisoners with operational flexibility to accommodate up to 2,200 in a range of security settings.

55. **Deputy Ciarán Lynch** asked the Minister for Justice and Law Reform the number of prisoners in total and in each institutions that are at present in custody; the number required to slop out; the number required to use normal toilet facilities in the presence of others; the number that are sole occupants of a cell that has a normal flush toilet installed or have access at all times to normal private toilet facilities; and if he will make a statement on the matter. [46617/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): The information requested by the Deputy is not currently available. It will be provided as soon as possible.

56. **Deputy Ciarán Lynch** asked the Minister for Justice and Law Reform the number of prisoners in total in each institution that are locked up for 23 hours a day or more in a normal day for reason of protection, punishment or other reasons; and if he will make a statement on the matter. [46618/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): The information requested by the Deputy is set out in the following table. The information is as of 7 December 2010.

Prison/Place of Detention	Number in custody on 23 hour lock up
Arbour Hill	0
Castlerea	29
Cloverhill	0
Cork	21
Dóchas Centre	0
Limerick	9
Loughan House	0
Midlands	14
Mountjoy	88
Portlaoise	0
Shelton Abbey	0
St. Patrick's Institution	45
Training Unit	0
Wheatfield	46
Total	252

[Deputy Dermot Ahern.]

Protection prisoners are those prisoners who would be considered to be under threat or “at risk” in the general population due, for example, to gangland feuding, drug debts, because they gave evidence in a court case or because of the nature of their offence. Efforts are made on a continuous basis to reduce the numbers of protection prisoners who fall into this category and regular transfers take place to other institutions where a prisoner will not require protection.

Prison Committals

57. **Deputy Ciarán Lynch** asked the Minister for Justice and Law Reform his plans in the interest of transparency to publish on the Irish Prison Service website the numbers in custody in each institution on a daily basis; and if he will make a statement on the matter. [46619/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): I can advise the Deputy that the Irish Prison Service is currently in the process of enhancing its existing website and the provision of more detailed statistical information is being considered as part of this enhancement.

Departmental Reports

58. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Justice and Law Reform when he will publish details of the new immigration regime for full-time non-EEA students [46621/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): The Final Report and Recommendations of the Interdepartmental Committee to oversee reform of the non-EEA student immigration regime was published on 22 September 2010. The Report entitled ‘New Immigration Regime for Full Time non-EEA Students’, which is available on the website of the Irish Naturalisation and Immigration Service (www.inis.gov.ie), contains more than 20 recommendations designed to reform the student immigration regime in a manner that is better integrated with Ireland’s immigration policy generally while providing a stronger regulatory framework for the sustainable development of the international education sector. The Report was approved by Government.

A number of these recommendations will now come into effect from 1 January 2011 including the introduction of maximum periods of residence in the State on foot of a student permission and the introduction of a differentiated approach as between “Degree Programme” courses and those at the “Language or Non Degree Programme” level.

Special transitional arrangements have been set for those students already in the State who will be affected by the new regime. In addition clear guidelines regarding the operation of the new regime will shortly be published on the website of the Irish Naturalisation and Immigration Service (www.inis.gov.ie). These guidelines will be of benefit to students currently in Ireland as well as to students who wish to travel to Ireland in the future for the purpose of pursuing a course of study.

Prison Accommodation

59. **Deputy Ciarán Lynch** asked the Minister for Justice and Law Reform the cell sizes in square metres of the most typical cells in each closed prison; and if he will make a statement on the matter. [46622/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): In the original wings of our older prisons — Mountjoy Male Prison, St. Patrick's Institution, Limerick Prison and Cork Prison — a typical cell would have a floor area of approximately 8 square metres.

Three new cell blocks have been commissioned in recent years at Portlaoise, Castlereagh and Wheatfield prisons. All of the cells in these facilities contain an ensuite shower, toilet and wash hand basin. The total floor area ranges from just over 9 sq meters at Portlaoise to approximately 13 square metres in the case of the new block at Wheatfield.

The size of the cells in the proposed new Midlands prison will be in the region of 13 square metres.

Departmental Expenditure

60. **Deputy Ciarán Lynch** asked the Minister for Justice and Law Reform the average cost of keeping a person in prison in 2009, including current expenditure from all public sources using the methodology that was employed by the Irish Prison Service in determining this figure before it changed the method of calculation as outlined in the 2008 annual report; and if he will make a statement on the matter. [46623/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): In 2008, I asked the Irish Prison Service to review their methodology for calculating the average annual cost of keeping an offender and to bring it more in line with other jurisdictions. The new methodology, which I approved, was introduced in time for the publication of the 2008 Annual Report.

It now excludes costs which are not under the direct control of the Irish Prison Service. Therefore, the teachers' salary costs are excluded from this exercise as these costs are not provided for under the Prisons budget allocation. Similarly, capital expenditure, including building/equipment assets and small works, is excluded from the calculations in the interest of facilitating comparison between prison types.

The Irish Prison Service no longer maintains all of the information required to readily recalculate the average cost of keeping an available staffed prison space using the previous methodology. To carry out such a recalculation would in any event require a disproportionate and inordinate amount of staff time and effort which could not be justified in current circumstances where there are other significant demands on resources.

Drugs in Prisons

61. **Deputy Ciarán Lynch** asked the Minister for Justice and Law Reform the number of dogs now in the Irish Prison Service dog unit; the number of staff involved in this unit; the cost per annum of this unit; if such costs are included in the average costs given now in annual reports; and if he will make a statement on the matter. [46626/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): I wish to advise the Deputy that the Canine Unit of the Irish Prison Service currently has 26 dog handlers with a complement of 37 trained dogs.

The Irish Prison Service does not collate costs for the Canine Unit separately. To provide such figures to the Deputy would require the manual examination of records. Such an examination however would require a disproportionate and inordinate amount of staff time and effort which could not be justified in current circumstances where there are other significant demands on resources.

[Deputy Dermot Ahern.]

For Annual Report purposes, all costs associated with the Canine Unit are reallocated under each of the various prison types when calculating the cost per available staffed prison space.

Prison Staff

62. **Deputy Ciarán Lynch** asked the Minister for Justice and Law Reform the number of staff in the Irish Prison Service operational support units; the annual cost of these units; if such costs are included in the average costs given now in annual reports; and if he will make a statement on the matter. [46627/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): I can inform the Deputy that there are currently 143 staff (142 posts, 2 job sharers) including the Governor assigned across all units of the Operational Support Group (OSG). Current vacancies in the OSG stand at 17, including management and officer grades. The direct cost figure associated with the OSG for the full year of 2009 is €10,627,700.12. This figure represents direct costs only and does not include a portion of central administration costs.

For Annual Report purposes, all central costs, including those associated with the OSG, are included when calculating the relevant cost per available staffed prison space for each of the various prison types.

Garda Recruitment

63. **Deputy Pat Rabbitte** asked the Minister for Justice and Law Reform the number and the dates on which garda recruits will be taken on in 2011; if the advertisement of June 2010 still applies; the number of applications on hand; and if he will make a statement on the matter. [46631/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): The moratorium on recruitment and appointments continues to apply to An Garda Síochána with provisions for exceptions following agreement with the Minister for Finance. The purpose of organising a recruitment campaign earlier this year was to begin the process of establishing a panel of potential applicants who could go on to be recruited as members of An Garda Síochána. This early planning is essential considering that the recruitment and training process — from initial formal application to attestation as a sworn member — could take up to 14 months to complete.

Since that announcement was made, the National Recovery Plan 2011-2014 was developed and published. The plan provides for a reduction in the number of members of An Garda Síochána to 13,000 by the end of 2014. This reduction, and the rate at which it is achieved through retirements, will be taken into account in determining when recruitment will commence.

The Garda recruitment process is managed by the Public Appointments Service on behalf of the Commissioner and I have no function in that matter.

Question No. 64 answered with Question No. 52.

Compensation Claims

65. **Deputy Michael D. Higgins** asked the Minister for Foreign Affairs if he has had the opportunity to review a particular case (details supplied); his views on whether the person is deserved of an apology; and if he will make a statement on the matter. [46546/10]

Minister of State at the Department of Foreign Affairs (Deputy Peter Power): The Deputy's Question refers to an individual who has sought compensation for alleged mishandling of a recruitment process by the Agency for Personal Services Overseas (APSO) in 1997. APSO was a limited company which was wound up in 2004. I am sure the Deputy will understand that, for legal reasons, I cannot enter into the details of this case. However, I can state that the Department of Foreign Affairs has denied any liability in the matter and that this fact was communicated to the person concerned on the basis of the fullest consideration of the issues involved.

Human Rights Issues

66. **Deputy Finian McGrath** asked the Minister for Foreign Affairs if he will support Amnesty International's campaign for the Mothers of Soacha in Colombia in relation to extra judicial executions. [46575/10]

Minister for Foreign Affairs (Deputy Micheál Martin): I am aware of the campaign by the Mothers of Soacha in relation to the alleged extrajudicial killings of their sons by the Colombian military in 2008. My concerns about impunity, including the specific case of the Mothers of Soacha, have been raised both bilaterally with the Colombian authorities and by the EU. The Colombian Ambassador to Ireland has agreed to bring these concerns to the attention of the Colombian Government. The case of the Mothers of Soacha was raised at the fourth round of the EU-Colombia human rights dialogue, which took place in Bogota on 23 November. Vice President Garzón has agreed to meet with the Mothers of Soacha and I understand that this meeting will take place on 11 December.

The Government will continue to monitor the human rights situation in Colombia both bilaterally (in Dublin and through our Embassy in Mexico, which is accredited to Colombia) and in cooperation with our EU partners with resident diplomatic missions in that country.

State Bodies

67. **Deputy Fergus O'Dowd** asked the Minister for Foreign Affairs if any employee at senior management level of any State body or organisation under the auspices of his Department has received any bonus payment in the past 12 months; if so, the amounts received and the reasons for same; the person who made the decision to grant this payment and the reason for same; if this matter was referred to him or if he was informed of the matter; if so, the views he expressed; the response, if any, from the body concerned; the subsequent decision taken by such body; the rank of the recipient; and if he will make a statement on the matter. [46585/10]

Minister for Foreign Affairs (Deputy Micheál Martin): There are no State Agencies operating under the auspices of my Department. However, there are four bodies operating under the aegis of my Department — the Development Education Advisory Committee (DEAC); the Government Emigrant Services Advisory Committee; the Irish Aid Expert Advisory Group; and The Board of the Ireland-United States Commission for Educational Exchange (the Fulbright Commission). The Fulbright Commission is financed jointly by the Irish and US Governments but it enjoys autonomy of management and administration, including relating to the remuneration of its staff, in accordance with the Educational Exchange (Ireland and the United States of America) Act, 1991. The remaining bodies are advisory committees, the administrations of which are all serviced by my Department and do not involve the direct employment of any staff.

Departmental Staff

68. **Deputy Fergus O'Dowd** asked the Minister for Foreign Affairs if any civil servant in his Department has received a bonus payment in the past 12 months; if so, the amount received; the reason given for such payment; who made the decision to grant same; the rank or grade of the recipient; and if he will make a statement on the matter. [46665/10]

Minister for Foreign Affairs (Deputy Micheál Martin): No bonus payment has been made over the last 12 months to any civil servant employed in my Department. Furthermore, a long-standing scheme whereby officers retiring from the Department received a flat rate taxable award of €500 in recognition of the contribution made during their careers was discontinued in August 2010. A total of €14,500 was disbursed under that scheme to 29 retirees over the past year.

Social Welfare Appeals

69. **Deputy Eamon Gilmore** asked the Minister for Social Protection further to Parliamentary Question No. 731 of 19 January 2010, if his attention has been drawn to the fact that the person (details supplied) has still not received a decision on their appeal which was lodged on 16 October 2009, 14 months ago; and if he will make a statement on the matter. [46541/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): The Social Welfare Appeals Office has advised me that, following receipt of the relevant Departmental papers including comments on the grounds of appeal, the appeal from the person concerned was referred to an Appeals Officer who proposes to hold an oral hearing in this case. However, the Appeals Officer has referred the case to the Deciding Officer for clarification on certain matters. Every effort will be made to have this appeal dealt with as quickly as possible.

The Social Welfare Appeals Office functions independently of the Minister for Social Protection and of the Department and is responsible for determining appeals against decisions on social welfare entitlements.

70. **Deputy Martin Ferris** asked the Minister for Social Protection when a decision on an appeal for domiciliary care allowance will issue in respect of a person (details supplied). [46560/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): The Social Welfare Appeals Office has advised me that the appeal from the person concerned was referred to an Appeals Officer who proposes to hold an oral hearing in this case. The person concerned will be informed when arrangements have been made.

The Social Welfare Appeals Office functions independently of the Minister for Social Protection and of the Department and is responsible for determining appeals against decisions on social welfare entitlements.

Social Welfare Benefits

71. **Deputy Joanna Tuffy** asked the Minister for Social Protection if he will provide details of the number of persons in County Meath who have availed of the mortgage interest supplement in the years 2007, 2008, 2009 and to date in 2010; the level of funding for the mortgage interest supplement in County Meath in the aforementioned years in tabular form; and if he will make a statement on the matter. [46564/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): Expenditure on mortgage interest supplement is not available on a county basis. The information in relation to recipients from 2007 is shown in the tabular statement.

Recipients of Mortgage Interest Supplement in County Meath

2007 to Present

Year Ending	Number of Recipients
2007	167
2008	438
2009	998
2010*	1,297

*Number at 6th November 2010.

State Bodies

72. **Deputy Fergus O'Dowd** asked the Minister for Social Protection if any employee at senior management level of any State body or organisation under the auspices of his Department has received any bonus payment in the past 12 months; if so, the amounts received and the reasons for same; the person who made the decision to grant this payment and the reason for same; if this matter was referred to him or if he was informed of the matter; if so, the views he expressed; the response, if any, from the body concerned; the subsequent decision taken by such body; the rank of the recipient; and if he will make a statement on the matter. [46588/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): The three statutory bodies operating under the aegis of the Department are the Pensions Board, the Citizens Information Board and the Social Welfare Tribunal. In addition, the Pensions Ombudsman comes under the remit of the Department.

No bonus payment was made to any staff member of the above statutory bodies operating under the aegis of the Department in the past twelve months.

Social Welfare Benefits

73. **Deputy Bernard J. Durkan** asked the Minister for Social Protection the level of job-seeker's allowance payable in the case of persons (details supplied) in County Kildare; if he will facilitate an appeal; and if he will make a statement on the matter. [46614/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): The weekly rate of jobseeker's allowance payable to the person concerned is €73.90. Means from his part-time work and his partner's employment are deducted from his weekly rate of payment.

If the person concerned is unhappy with the means assessment it is open to him to lodge an appeal to the Social Welfare Appeals Office.

74. **Deputy Jan O'Sullivan** asked the Minister for Social Protection the responsibilities, if any, community welfare officers have to ensure that those in receipt of rent allowance are receiving their allowance for accommodation that is registered with the Private Residential Tenancies Board; and if he will make a statement on the matter. [46651/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): The registration of a tenancy with the PRTB is not a qualifying condition for entitlement to rent supplement and I have no plans in making this a requirement for the scheme.

Under the Residential Tenancies Act 2004, landlords are legally obliged to register tenancies with the Private Residential Tenancies Board (PRTB). Not all tenancies are required to be registered with the PRTB as the relevant legislation, the Residential Tenancies Act, provides for certain exceptions:

- Business premises, even where partly residential
- A dwelling to which Part II of the Housing (Private Rented Dwellings) Act 1982 applies (i.e. formerly rent controlled dwelling occupied by the “original tenant or his/her spouse) or to which Part II of the Landlord and Tenant (Amendment) Act 1980 applies (i.e. long occupation equity lease tenancies)
- A dwelling let by a local authority or voluntary housing body
- A dwelling occupied under a shared ownership lease
- A holiday let
- A dwelling in which the landlord is also resident
- A dwelling in which the spouse, parent or child of the landlord is resident and there is no written lease or tenancy agreement
- A dwelling that is occupied rent free.

Where registration is required, the landlord has up to one month after the commencement of the tenancy to register it with the PRTB at the standard fee and longer to register at a higher fee.

It is not, therefore, practical for the Department to insist that a tenancy be registered before rent supplement can be paid to the tenant as the establishment of the tenancy will be dependent on rent supplement being awarded.

The Department works closely with the Private Residential Tenancies Board (PRTB) to help ensure that rent supplement tenancies comply with the statutory system of tenancy regulation and safeguards. The Department advises the PRTB of all new rent supplemented tenancies to assist them in implementing tenancy regulations and co-operates in any initiatives taken by the PRTB to ensure compliance with the provisions of the Residential Tenancies Act.

It is accepted that there is a need to ensure that all landlords, including those renting out property to people in receipt of rent supplement, comply with the terms of the Residential Tenancies Act. The PRTB has been given powers to deal with unregistered landlords and the information provided by the Department to the Board should help them to exercise these powers, while not placing rent supplement recipients in an unworkable and vulnerable position.

There is a statutory requirement on a landlord to register a tenancy with the PRTB. Imposing a requirement on a landlord to notify the Department of registration of a tenancy with the PRTB would be a duplication of functions between State agencies and is considered unnecessary.

Departmental Staff

75. **Deputy Fergus O'Dowd** asked the Minister for Social Protection if any civil servant in his Department has received a bonus payment in the past 12 months; if so the amount received; the reason given for such payment; who made the decision to grant same; the rank or grade of the recipient; and if he will make a statement on the matter. [46668/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): The scheme of performance related awards at the levels of Assistant Secretary and Deputy Secretary in the Civil Service was discontinued in early 2009. No bonus payments were made to civil servants in my Department in the 12 month period from 1 December 2009 to 30 November 2010.

State Bodies

76. **Deputy Fergus O'Dowd** asked the Minister for Tourism, Culture and Sport if any employee at senior management level of any State body or organisation under the auspices of her Department has received any bonus payment in the past 12 months; if so, the amounts received and the reasons for same; the person who made the decision to grant this payment and the reason for same; if this matter was referred to her or if she was informed of the matter; if so, the views she expressed; the response, if any, from the body concerned; the subsequent decision taken by such body; the rank of the recipient; and if she will make a statement on the matter. [46590/10]

Minister for Tourism, Culture and Sport (Deputy Mary Hanafin): In respect of the agencies currently under the aegis of my Department whose remuneration includes bonuses, decisions to award payments at senior management level in any instance are not made by me as Minister for Tourism, Culture and Sport but, rather, by the boards of the agencies concerned, subject to the terms and criteria contained in the associated remuneration schemes agreed with the CEOs, or equivalents. Accordingly, the basis of any such awards are matters for the boards of the agencies concerned. However, the payment of bonuses is suspended pursuant to the Financial Emergency Measures in the Public Interest Act 2009. The relevant agencies under the aegis of my Department have been requested to implement these provisions.

Departmental Staff

77. **Deputy Fergus O'Dowd** asked the Minister for Tourism, Culture and Sport if any civil servant in her Department has received a bonus payment in the past 12 months; if so the amount received; the reason given for such payment; who made the decision to grant same; the rank or grade of the recipient; and if she will make a statement on the matter. [46670/10]

Minister for Tourism, Culture and Sport (Deputy Mary Hanafin): No Civil Servant in my Department has received a bonus payment in the past 12 months.

Planning Issues

78. **Deputy Joe Costello** asked the Minister for the Environment, Heritage and Local Government if he will provide guidelines for An Bord Pleanála to ensure that oral hearings take place in the local authority area where the railway order or planning permission is sought. [46561/10]

Minister of State at the Department of Environment, Heritage and Local Government (Deputy Ciarán Cuffe): The convening of oral hearings is a matter for An Bord Pleanála. I

[Deputy Ciarán Cuffe.]

understand that the Board normally arranges for oral hearings to take place in the local authority area where a railway order or planning permission is sought. In the case of certain large scale road and rail projects, it may be the case that the proposed development involves works within the functional area of more than one local authority, and a venue is chosen with appropriate facilities at a reasonable cost and with ease of access, including by public transport.

In respect of proposals within the Dublin area, an oral hearing venue may be in a central location outside the particular local authority area where the proposed development is to be located.

I am assured that An Bord Pleanála seeks, at all times, to facilitate participants attending oral hearings, and I have no plans to issue guidelines in this regard.

State Bodies

79. **Deputy Fergus O'Dowd** asked the Minister for the Environment, Heritage and Local Government if any employee at senior management level of any State body or organisation under the auspices of his Department has received any bonus payment in the past 12 months; if so, the amounts received and the reasons for same; the person who made the decision to grant this payment and the reason for same; if this matter was referred to him or if he was informed of the matter; if so, the views he expressed; the response, if any, from the body concerned; the subsequent decision taken by such body; the rank of the recipient; and if he will make a statement on the matter. [46583/10]

Minister for the Environment, Heritage and Local Government (Deputy John Gormley): No employee at senior management level in any agency or body under the aegis of my Department received a bonus payment in the past twelve months.

Local Authority Expenditure

80. **Deputy Seán Sherlock** asked the Minister for the Environment, Heritage and Local Government if he will consider a special allocation to Cork County Council to cover the cost of heating for local authorities where no heating systems exist; and if he will make a statement on the matter. [46630/10]

Minister of State at the Department of the Environment; Heritage and Local Government (Deputy Michael Finneran): My Department has, over the past number of years, overseen a significant exchequer investment in the improvement of heating systems and energy efficiency of the existing stock of local authority dwellings. Although central heating has been provided in all new local authority dwellings as a matter of course since 1994, there were an estimated 36,000 dwellings constructed prior to this date without central heating. To address this deficit, a special four-year programme, the National Central Heating Programme, was introduced in 2004 for the installation of central heating, associated thermal insulation measures, and temperature controls in these dwellings.

This programme ended last year, following the improvement of almost 28,000 dwellings, and was replaced by the more comprehensive National Retrofitting Programme. The new National Retrofitting Programme provides grant funding up to €15,000 per unit, with a higher grant of €35,000 available for properties that have been vacant for 6 months or more, and sets local authorities the objective of achieving a C1 BER following the works.

Typically the range of works involved, depending on the unit, is as follows:

- attic insulation to meet current building regulation standards;
- replacement of windows and external doors in compliance with current regulations;
- air-tightness testing e.g. “blower-door” test and remedial action;
- wall insulation [cavity, external cladding, internal improvement, as appropriate];
- replacement of boilers over 10 years old with condensing boilers to current standards and installation of space and water heating controls;
- installation of radon protection measures e.g. external sump;
- any other measures as are required to improve the energy efficiency of the dwelling.

Under this progressive programme, Cork County Council received a 2010 allocation of €1,850,000 with a further €970,000 provided to town councils in the county. To date some €706,000 has been claimed under the programme, and the Council has recently advised that it does not expect fully to draw down its 2010 allocation.

Departmental Staff

81. **Deputy Fergus O’Dowd** asked the Minister for the Environment, Heritage and Local Government if any civil servant in his Department has received a bonus payment in the past 12 months; if so the amount received; the reason given for such payment; who made the decision to grant same; the rank or grade of the recipient; and if he will make a statement on the matter. [46663/10]

Minister for the Environment, Heritage and Local Government (Deputy John Gormley): No civil servant in my Department has received a bonus payment in 2010.

Health and Safety Issues

82. **Deputy Michael D. Higgins** asked the Minister for Communications, Energy and Natural Resources the specific method by which odourless gas will be able to be detected at a particular gas terminal (details supplied); the body or authority to which incidences of leakage will be reported; which body or authority members of the public can contact should they detect or suspect a leak; and if he will make a statement on the matter. [46543/10]

Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Conor Lenihan): As I outlined in my response to Question No. 228 of 4 November 2010, the design and construction of the Corrib Gas terminal is based on best international engineering practice for gas processing terminals. The terminal is designed to ensure against a leak of gas and the developer has proposed systems that would detect a leak. The methodology proposed is standard and involves proven fire and gas detection systems.

Under my Department’s Rules and Procedures for Offshore Petroleum Production Operations a matter such as a gas leak would be classified as an urgent matter that must be brought to the attention of my Department, by the infrastructure operator, without delay.

There are a number of other statutory bodies that have regulatory functions with respect to risk assessment including, An Bord Pleanála, Mayo County Council, the Health and Safety Authority and the Environmental Protection Agency. It would be a matter for each of those bodies to determine the reporting procedures in relation to any incident.

[Deputy Conor Lenihan.]

The Deputy may be aware that the Petroleum (Exploration and Extraction) Safety Act 2010 confers responsibility on the Commission for Energy Regulation (CER) for the regulation of upstream petroleum activities with respect to public safety. The statutory safety framework required by this legislation is currently being established by the CER and any incidents of leakage will fall within the remit of this new regime once it is published.

Whatever the regulatory framework, any third party concern in relation to the safe operation of infrastructure, such as the Corrib Gas terminal, should also be reported to the operator of that infrastructure.

State Bodies

83. **Deputy Fergus O'Dowd** asked the Minister for Communications, Energy and Natural Resources if any employee at senior management level of any State body or organisation under the auspices of his Department has received any bonus payment in the past 12 months; if so, the amounts received and the reasons for same; the person who made the decision to grant this payment and the reason for same; if this matter was referred to him or if he was informed of the matter; if so, the views he expressed; the response, if any, from the body concerned; the subsequent decision taken by such body; the rank of the recipient; and if he will make a statement on the matter. [46578/10]

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): I can inform the Deputy that decisions to award payments in respect of employees at senior management level in bodies under the aegis of my Department, whose remuneration includes bonuses, are made by the boards of the agencies concerned, subject to the terms and criteria in the agreed associated remuneration schemes. Accordingly, the bases of any such awards are matters for the boards of the agencies themselves.

Departmental Staff

84. **Deputy Fergus O'Dowd** asked the Minister for Communications, Energy and Natural Resources if any civil servant in his Department has received a bonus payment in the past 12 months; if so the amount received; the reason given for such payment; who made the decision to grant same; the rank or grade of the recipient; and if he will make a statement on the matter. [46658/10]

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): No member of staff in my Department has received a bonus payment in the past 12 months.

Grant Payments

85. **Deputy Edward O'Keefe** asked the Minister for Agriculture, Fisheries and Food when a specific payment will issue to a person (details supplied) in County Cork and if he will expedite the digitisation of lands [46538/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under 2010 Single Payment Scheme was received from the person named on 13 May 2010. The 50% advance payment, which issued on 18 October 2010, was on the basis of the land cleared at that stage, as a number of parcels declared required digitising.

Balancing payments under the scheme, which commenced 1 December, would, in normal circumstances, be confined to those whose applications are fully processed, specifically, where all digitising is finalised. However, following recent consultation with the EU Commission, agreement was reached whereby, in addition to issuing balancing payments to those farmers whose applications are fully processed and whose maps are fully digitised, payments will also issue to those farmers where some or all of their maps are still to be digitised, with the payment being calculated on the basis of the digitised land confirmed otherwise eligible.

I am pleased to say that, because of this change, many farmers, including the person named, whose balancing payments would otherwise have been delayed until their digitising is complete, will now receive an interim balancing payment. These farmers, including the person named, will receive the final instalment of their balancing payment when their maps are re-digitised and their applications are fully clear.

86. **Deputy Pat Breen** asked the Minister for Agriculture, Fisheries and Food further to Parliamentary Question No. 215 of 14 October 2010, when payment will issue to a person (details supplied) In County Clare; and if he will make a statement on the matter. [46565/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under the 2010 Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on 23 April 2010. Payments under the 2010 Single Payment Scheme and Disadvantaged Areas Scheme have commenced nationally on 18 October 2010 and 22 September 2010 respectively.

The person named submitted an application with 8 land parcels, 5 of which required re-digitisation. My Department has now completed this re-digitisation process. Payments to the person named were made under the Single Payment Scheme on 18 October 2010 and 1 December 2010. The advance payment under the Disadvantaged Areas Scheme was issued to the applicant on 22 September 2010. This application is currently being processed with a view to final balancing payments issuing shortly under both Schemes, provided no further errors are identified.

87. **Deputy Michael Creed** asked the Minister for Agriculture, Fisheries and Food if he will clarify the circumstances surrounding an alleged overpayment of single farm payment in 2007 which is now being recouped in 2010 in respect of a person (details supplied) in County Cork; if the person was given proper notification of this fine and a right of appeal; and if he will make a statement on the matter. [46568/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The Department's records indicate that in 2007, the amount of nitrogen from livestock manure applied to land on the holding of the person named above (including that deposited by animals) was 269.46 kgs per hectare, which exceeded the limit of 170 kgs per hectare set down in the Nitrates Regulations.

My Department wrote to the person named on two occasions in June and July 2008 notifying him that he had exceeded the Nitrogen limit for 2007, and asking him if there were any reasons why he believed the total Nitrogen from livestock manure applied to his lands was not above the 170 kg limit.

As no response was received to either of these two letters, the person named was notified of the deduction on 18 June 2010 and was advised of his right of appeal. There is no record of any appeal having been received. He was subsequently notified of the actual amount involved on 23 September 2010.

[Deputy Brendan Smith.]

It was open to the person named to appeal this deduction, within a three month time limit from day of final decision (18 June 2010), by letter to the Agriculture Appeals Office, Kilminchy Court, Portlaoise, Co. Laois. The Agriculture Appeals Office is an independent body established to provide an appeals service to farmers in respect of decisions of the Department of Agriculture, Fisheries and Food relating to entitlements under the various schemes available.

While the three month deadline has passed, a case can still be made to the Agriculture Appeals Office for acceptance of a late appeal. In making the appeal a person must include all the facts and contentions upon which they intend to rely, together with such documentary evidence that they may wish to submit in support of an appeal.

88. **Deputy Paul Connaughton** asked the Minister for Agriculture, Fisheries and Food the reason a person (details supplied) in County Galway has not received their area based payment or their single farm payment; and if he will make a statement on the matter. [46576/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under the 2010 Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on 19 April 2010. The advance payments under the Disadvantaged Area Scheme and the Single Payment Scheme payment issued to the person named on 21 September and 18 October respectively based on the clear eligible area. However, a number of the land parcels listed on the application required digitisation.

As a result of this re-digitising over-claims were identified on two of the parcels declared by the applicant and he was written to in this regard, a reply was received on 2 December 2010 accepting the over claims. The application is now fully processed and balancing payments due in respect of the Single Payment Scheme and Disadvantaged Area Scheme will issue shortly to the person named.

State Bodies

89. **Deputy Fergus O'Dowd** asked the Minister for Agriculture, Fisheries and Food if any employee at senior management level of any State body or organisation under the auspices of his Department has received any bonus payment in the past 12 months; if so, the amounts received and the reasons for same; the person who made the decision to grant this payment and the reason for same; if this matter was referred to him or if he was informed of the matter; if so, the views he expressed; the response, if any, from the body concerned; the subsequent decision taken by such body; the rank of the recipient; and if he will make a statement on the matter. [46577/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The implementation and operation of each performance related award scheme is the responsibility of the board of the agency concerned.

My Department does, however, play a role in monitoring performance related awards for CEOs of the commercial and non-commercial bodies under the aegis of my Department.

A bonus payment of €40,539 was made to the CEO of one of the bodies under the aegis of my Department in the past twelve months, in respect of his performance in 2009. This matter was not referred to me as the agency concerned was not under the auspices of my Department at that time.

Grant Payments

90. **Deputy Jimmy Deenihan** asked the Minister for Agriculture, Fisheries and Food when a decision will issue on an application for free single farm payment entitlements from the national reserve in respect of a person (details supplied) in County Kerry; and if he will make a statement on the matter. [46596/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): No Single Payment entitlements were established for the person named as he did not receive any premia payments under the coupled regime during the 2000 — 2002 reference period. The person named submitted applications under the 2005, 2006, 2007 and 2008 National Reserve.

The person named applied under Category A of the 2005, 2006 and 2008 National Reserve which catered for farmers who, after 1 January 2000, acquired land free of charge or for a nominal sum from a farmer who had retired or died by 16 May 2005 and who had leased out his/her holding to a third party during the 2000 — 2002 reference period. The person named was deemed ineligible under this category as he acquired the land prior to 1 January 2000.

Under the 2007 National Reserve the person named applied under Category C, which catered for farmers for whom at least 40% of their existing Single Payment was derived from direct payments associated with sheep production (Ewe Premium/Rural World Premium) during the reference period. Their existing Single Payment must have been less than €10,000 and the value of individual payment entitlements must have been less than the District Electoral Division (DED) average value. The maximum allocation under this category was €1,000.00. The person named was not eligible under this category, as he did not establish a Single Payment.

91. **Deputy John Browne** asked the Minister for Agriculture, Fisheries and Food when the balance of a force majeure single farm payment will issue to a person (details supplied) in County Wexford. [46599/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The person named has received his full payment based on the eligible land declared under the 2008 Single Payment Scheme 2008. Having successfully processed the application under force majeure and the 2008 application, payment was issued to the person named on 21 January 2010. There is no further payment due to the applicant.

Property Registration

92. **Deputy Paul Connaughton** asked the Minister for Agriculture, Fisheries and Food the reason there is such a time lag for the registration of a plot of ground (details supplied); and if he will make a statement on the matter. [46624/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The delay in registration is due to the complexity involved with a right-of-way mapping conflict. Consultation is taking place between officials from my Department and the Property Registration Authority with a view to resolving the matter as quickly as possible. I have requested that the Deputy be kept apprised of developments.

Grant Payments

93. **Deputy Paul Connaughton** asked the Minister for Agriculture, Fisheries and Food the reason a person (details supplied) in County Galway has not been paid their area based payment; and if he will make a statement on the matter. [46628/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under the Single Payment/Disadvantaged Areas Scheme was received from the person named on 11 May 2010. In relation to the Disadvantaged Areas Scheme, the Terms and Conditions governing the Scheme require, inter alia, that applicants maintain a minimum stocking density on their holding of 0.15 livestock units per forage hectare declared, for at least three consecutive months, during the calendar year of application. However, where the holding of an applicant is identified as not meeting this minimum requirement, the person in question is invited to submit evidence of satisfactory stocking i.e. Flock Register, Horse Passports or details of a REPS or Commonage Framework Plan, which provides for a lower stocking level.

My Department's records currently do not show the person named as having yet achieved the minimum stocking density. The person named was written to on 19 November 2010 and invited to submit appropriate evidence of the numbers of livestock maintained on his holding. On receipt of a satisfactory response from the person named, the application will be further processed with a view to payment at an early date.

94. **Deputy Paul Connaughton** asked the Minister for Agriculture, Fisheries and Food the reason a person (details supplied) in County Galway has not been paid their single farm payment or area based payment; and if he will make a statement on the matter. [46629/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under the 2010 Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on 21 April 2010. The advance payments under the Disadvantaged Area Scheme and the Single Payment Scheme payment issued to the person named on 21 September and 18 October respectively based on the clear eligible area. However, a number of the land parcels listed on the application required digitisation. This process is now complete and balancing payments due in respect of the Single Payment Scheme and Disadvantaged Area Scheme will issue shortly to the person named.

95. **Deputy John Browne** asked the Minister for Agriculture, Fisheries and Food when a single farm payment due to a person (details supplied) in County Wexford will issue. [46636/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under the 2010 Single Payment Scheme was received from the person named on 14 May 2010. Payments under the 2010 Single Payment Scheme commenced nationally on 18 October 2010. The person named submitted an application with 62 land parcels, 21 of which required re-digitisation. Payments under the Single Payment Scheme were made on land parcels that were clear for payment on 18 October 2010 and 1 December 2010 respectively.

My Department is currently completing the re-digitisation of the remaining 21 land parcels. Immediately this process is complete, provided no further errors are identified, the application will be processed in full with a view to payments due issuing shortly thereafter.

96. **Deputy Pat Breen** asked the Minister for Agriculture, Fisheries and Food when payment will issue in respect of a person (details supplied) in County Clare; and if he will make a statement on the matter. [46652/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under the 2010 Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on 13 May 2010. Payments under the 2010 Single Payment Scheme and Disadvantaged

Areas Scheme have commenced nationally on 18 October 2010 and 22 September 2010 respectively.

The person named submitted an application with 8 land parcels, 4 of which require re-digitisation. Payments under the Single Payment Scheme were made in respect on eligible land parcels on 18 October 2010 and 1 December 2010 respectively. An advance payment under the Disadvantaged Areas Scheme was made on 22 September 2010. My Department is currently completing the re-digitisation of the remaining 4 land parcels. Immediately this process is complete, provided no further errors are identified, the application will be processed in full with a view to payments due issuing shortly thereafter.

Departmental Staff

97. **Deputy Fergus O'Dowd** asked the Minister for Agriculture, Fisheries and Food if any civil servant in his Department has received a bonus payment in the past 12 months; if so the amount received; the reason given for such payment; who made the decision to grant same; the rank or grade of the recipient; and if he will make a statement on the matter. [46657/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): No civil servant has received any such payment in the past 12 months.

Grant Payments

98. **Deputy Niall Collins** asked the Minister for Agriculture, Fisheries and Food the position regarding an application for the single farm payment scheme and the disadvantaged area scheme in respect of a person (details supplied) in County Limerick; and if he will make a statement on the matter. [46672/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under the 2010 Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on 27 April 2010. Payments under the 2010 Single Payment Scheme and Disadvantaged Areas Scheme have commenced nationally on 18 October 2010 and 22 September 2010 respectively.

The person named submitted an application with 7 land parcels, 3 of which require re-digitisation. Payments under the Single Payment Scheme were made in respect of eligible land parcels on 18 October 2010 and 1 December 2010. My Department is currently completing the re-digitisation of the remaining 3 land parcels. Immediately this process is complete, provided no further errors are identified, the application will be processed in full with a view to payments due under both Schemes issuing shortly thereafter.

99. **Deputy Jimmy Deenihan** asked the Minister for Agriculture, Fisheries and Food when single farm payments will issue in respect of a person (details supplied) in County Limerick; and if he will make a statement on the matter. [46673/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under the Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on the 12 May 2010.

This application was selected for a Ground Eligibility inspection. The inspection process is complete and the results have now been processed.

[Deputy Brendan Smith.]

During the course of the Ground Eligibility inspection discrepancies were found with parcel M22803157. Namely there were inadequate deductions made for a roadway and an area of the parcel concerned was not owned or farmed by the person named. The claimed area for the Single Payment Scheme of 15.48ha was reduced to 14.91ha. When tolerance was taken into account this area was increased to 15.04ha. As the total entitlements held are 35.08 and the area not found is under 3% and under 2ha the area put forward for payment is 15.04ha.

Furthermore it was noted at the inspection that there was a failure to take appropriate measures to prevent the encroachment of briars, bushes and dense scrub, which is deemed to be a non-compliance in relation to the requirement to maintain land in Good Agriculture and Environmental Condition. The above non-compliance resulted in a Cross Compliance penalty of 3% being applied to the 2010 direct payments for the person named.

A formal decision issued to the person named on 6 August 2010 that advised him of his right to seek a review of the decision with 21 days to the District Inspector and of his right to appeal the outcome of any such review to the Independent Agriculture Appeals Office.

The inspection process is completed and the application has now been fully processed. Payment under the Disadvantaged Areas Scheme and Single Payment Scheme issued on 1 December.

100. **Deputy Jimmy Deenihan** asked the Minister for Agriculture, Fisheries and Food when a REP scheme 4 payment will issue in respect of a person (details supplied) in County Kerry; and if he will make a statement on the matter. [46674/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The EU Regulations governing REPS 4 and other area-based schemes provide that payments issue in two instalments. The first instalment of 75% may be paid once all administrative checks on all applications, as well as cross-checks against areas declared on Single Payment Scheme applications, have been completed. This process is underway and my objective is to make all payments for 2010 as soon as possible. The balancing payment of 25% can issue once all on-the-spot inspections for the year have taken place and these will be completed shortly.

Redundancy Payments

101. **Deputy Darragh O'Brien** asked the Minister for Enterprise, Trade and Innovation the position regarding a redundancy claim in respect of a person (details supplied) in County Dublin; and if he will make a statement on the matter. [46537/10]

Minister of State at the Department of Enterprise, Trade and Innovation (Deputy Dara Calleary): My Department administers the Social Insurance Fund (SIF) in relation to redundancy matters on behalf of the Department of Social Protection. There are two types of payment made from the SIF — rebates to those employers who have paid statutory redundancy to eligible employees and, statutory lump sums to employees whose employers are insolvent and/or in receivership/liquidation.

I can confirm that my Department received a statutory redundancy lump sum claim in respect of the individual concerned on 12 April 2010. I am pleased to advise the Deputy that my Department has recently authorised the claim for payment. Payment of the redundancy amount due should issue within the next few weeks.

State Bodies

102. **Deputy Fergus O'Dowd** asked the Minister for Enterprise, Trade and Innovation if any employee at senior management level of any State body or organisation under the auspices of his Department has received any bonus payment in the past 12 months; if so, the amounts received and the reasons for same; the person who made the decision to grant this payment and the reason for same; if this matter was referred to him or if he was informed of the matter; if so, the views he expressed; the response, if any, from the body concerned; the subsequent decision taken by such body; the rank of the recipient; and if he will make a statement on the matter. [46582/10]

Minister for Enterprise, Trade and Innovation (Deputy Batt O'Keeffe): Other than the occurrence below, there has been no bonus payment to any employee at senior management level of any State body or organisation under the auspices of my Department in the past twelve months.

Personal Injuries Assessment Board.

The terms and conditions of the Chief Executive's employment are set out in a fixed term contract of service with the Board, in line with the requirements of the Personal Injuries Assessment Board Act 2003. The contract contains a provision for a performance related award scheme of a maximum of 20% of total remuneration. The Personal Injuries Assessment Board is a self-funded agency and receives no funding from the Exchequer. An award relating to performance in 2009 was paid in early 2010 amounting to €31,395.81 gross.

The Chief Executive, notwithstanding the terms and conditions of her contract and that no Exchequer funds are involved, has volunteered to the suspension of the performance related award scheme from 2010.

The decision to pay the performance related award was a matter for the Board of the organisation, and as such there was no requirement to refer the matter to me.

Company Law

103. **Deputy Joe McHugh** asked the Minister for Enterprise, Trade and Innovation if he will make a comprehensive statement on assets liquidation; the payment process to creditors; the order in which various creditor organisations are paid that is banks, Revenue Commissioners, contractors and so on. [46642/10]

Minister for Enterprise, Trade and Innovation (Deputy Batt O'Keeffe): The order of preferential payments in the winding up of a company is set out at section 285 of the Companies Act 1963 as amended. Monies owed to the Revenue Commissioners are preferred to a significant degree over other debts. The priority of creditors in a winding up is as follows:

1. In accordance with section 16 of the Social Welfare (Consolidation) Act, 1993, the sums deducted by an employer from the employee's remuneration in respect of PRSI are not included in the assets of a company and do not form part of the funds available for distribution to creditors. The position of the Revenue Commissioners in relation to these deductions has been described as super-preferential as their claim in relation to these monies supersedes the claim of all preferred creditors to the extent that the monies due are taken before the assessment of the assets for distribution.

[Deputy Batt O’Keeffe.]

2. The Revenue Commissioners in respect of PAYE, VAT and in respect of monies recovered from the holder of a charge, which includes a fixed charge over book debts.
3. Creditors secured by a pledge, lien, mortgage or fixed charge in respect of assets the subject of such security.
4. Creditors whose debts are preferential payments under s 285 of the Companies Act 1963, as amended, and other complementary legislation which prioritises creditors, include the following:
 - i. Local Authorities for unpaid rates
 - ii. The Revenue Commissioners for Corporation tax on profits and capital gains
 - iii. The Revenue Commissioners for assessed VAT
 - iv. The Revenue Commissioners for assessed Income tax of employees to be deducted at source (PAYE)
 - v. The remaining priorities relate to employee entitlements.

The application of these statutory preferences to any individual case, including to any asset liquidation or payment processes arising under any individual case, will be determined by the circumstances of each particular case, and as such is a matter for the parties involved, and for legal advice or the courts if applicable.

Departmental Staff

104. **Deputy Fergus O’Dowd** asked the Minister for Enterprise, Trade and Innovation if any civil servant in his Department has received a bonus payment in the past 12 months; if so the amount received; the reason given for such payment; who made the decision to grant same; the rank or grade of the recipient; and if he will make a statement on the matter. [46662/10]

Minister for Enterprise, Trade and Innovation (Deputy Batt O’Keeffe): No civil servant in my Department received a bonus payment in the past 12 months.

Grant Payments

105. **Deputy Pat Breen** asked the Minister for Community, Equality and Gaeltacht Affairs the reason a person (details supplied) has not been facilitated; and if he will make a statement on the matter. [46545/10]

Minister for Community, Equality and Gaeltacht Affairs (Deputy Pat Carey): In the case referred to by the Deputy, an application has only very recently been submitted to my Department and a formal response will issue shortly. My officials are currently following up the circumstances of the case and on foot of this I will revert to the Deputy.

State Bodies

106. **Deputy Fergus O’Dowd** asked the Minister for Community, Equality and Gaeltacht Affairs if any employee at senior management level of any State body or organisation under the auspices of his Department has received any bonus payment in the past 12 months; if so,

the amounts received and the reasons for same; the person who made the decision to grant this payment and the reason for same; if this matter was referred to him or if he was informed of the matter; if so, the views he expressed; the response, if any, from the body concerned; the subsequent decision taken by such body; the rank of the recipient; and if he will make a statement on the matter. [46579/10]

108. **Deputy Fergus O'Dowd** asked the Minister for Community, Equality and Gaeltacht Affairs if any civil servant in his Department has received a bonus payment in the past 12 months; if so the amount received; the reason given for such payment; who made the decision to grant same; the rank or grade of the recipient; and if he will make a statement on the matter. [46659/10]

Minister for Community, Equality and Gaeltacht Affairs (Deputy Pat Carey): I propose to take Questions Nos. 106 and 108 together.

No civil servant in my Department has received a bonus payment in the past 12 months. With regard to State bodies/agencies funded from my Department's Vote Group, I am advised that a single instance has occurred across the range of those bodies where a bonus was paid to an employee within the past twelve months.

The case in question, which was in respect of performance in 2007, related to the Chief Executive Officer of Waterways Ireland. Payment in this case, which amounted to £8,500 (€9,628), was made in February 2010 and was subject to normal taxation and other deductions.

As Waterways Ireland is a North South Implementation Body, the payment was made in accordance with the CEO performance pay (bonus) regime operating in respect of 2007 on foot of a North South Ministerial Council (NSMC) decision in relation to the remuneration and other conditions of service applicable to Chief Executive Officers of the North South Implementation Bodies and Tourism Ireland. As Waterways Ireland has no board, the payment was approved, in line with that NSMC decision, at senior management level within the two sponsoring Departments for Waterways Ireland, i.e., the Department of Culture, Arts and Leisure in Northern Ireland and my own Department. I, as Minister, did not have a role in the matter.

While the bonus in this case related to performance in 2007, I should point out that NSMC noted, at its institutional meeting in November 2009, that both Finance Ministers endorsed in principle that senior officials in the wider public sector in the two jurisdictions should not be awarded performance bonuses with effect from and in respect of the 2008/2009 reporting year and that this should apply to Chief Executive Officers of the North South Implementation Bodies.

Youth Services

107. **Deputy Willie Penrose** asked the Minister for Community, Equality and Gaeltacht Affairs if core funding will continue to be provided to a national organisation (details supplied) to support practitioners and volunteers working with young persons at risk in 2011; and if he will make a statement on the matter. [46640/10]

Minister for Community, Equality and Gaeltacht Affairs (Deputy Pat Carey): My Department manages a range of schemes and programmes that support the wider community and voluntary sector, details of which are available on my Department's website at www.pobail.ie.

[Deputy Pat Carey.]

The Scheme to Support National Organisations in the Community and Voluntary Sector aims to provide multi-annual funding to national organisations towards core costs associated with the provision of services. Priority is given under this scheme to supporting national organisations which provide coalface services to disadvantaged target groups.

The current funding contracts under the scheme will finish at the end of this year. However, I am pleased to confirm that a new scheme has been developed and will be advertised in the coming weeks. In this regard, I have recently written to the organisations funded under the current scheme to advise them that interim funding will be provided to them for a limited period (to 31 March 2011 at the latest). This will allow for the submission and assessment of applications under the new scheme.

It will be open to the organisation referred to by the Deputy to apply for funding when the new scheme is announced.

Question No. 108 answered with Question No. 106.

State Bodies

109. **Deputy Fergus O'Dowd** asked the Minister for Defence if any employee at senior management level of any State body or organisation under the auspices of his Department has received any bonus payment in the past 12 months; if so, the amounts received and the reasons for same; the person who made the decision to grant this payment and the reason for same; if this matter was referred to him or if he was informed of the matter; if so, the views he expressed; the response, if any, from the body concerned; the subsequent decision taken by such body; the rank of the recipient; and if he will make a statement on the matter. [46580/10]

113. **Deputy Fergus O'Dowd** asked the Minister for Defence if any civil servant in his Department has received a bonus payment in the past 12 months; if so the amount received; the reason given for such payment; who made the decision to grant same; the rank or grade of the recipient; and if he will make a statement on the matter. [46660/10]

Minister for Defence (Deputy Tony Killeen): I propose to take Questions Nos. 109 and 113 together.

Performance awards for civil service grades are made to individual staff members and to groups of staff under a scheme for Recognition of Exceptional Performance of duty. In assessing eligibility for awards, regard is given to the nature and quality of the activities involved and to the circumstances under which they were carried out. Attention is also paid to the grade level of the staff members concerned and to what would be regarded as high quality performance from staff in such grades.

In 2010 the Secretary General granted an Exceptional Performance Award to one individual in the sum of €1,500. The award was granted to an Assistant Principal at the Department of Defence in recognition of exceptional performance while working on the Judicial Reviews and the Military Archives Pensions Project. This award is comprehended as a benefit in kind and subject to the relevant statutory deductions.

National Drugs Strategy

110. **Deputy David Stanton** asked the Minister for Defence the number of times in 2009 and

to date in 2010 the air corps has provided air support to the joint task force established to combat drug trafficking; and if he will make a statement on the matter. [46653/10]

Minister for Defence (Deputy Tony Killeen): For operational reasons it would not be appropriate to disclose the information sought in this question.

111. **Deputy David Stanton** asked the Minister for Defence the number of times Naval Service personnel have travelled, at the request of the joint task force, to Lisbon to the Maritime Analysis and Operations Centre — Narcotics since its establishment in 2007; the cost of each of these trips; and if he will make a statement on the matter. [46654/10]

Minister for Defence (Deputy Tony Killeen): I am advised that Naval Service personnel have travelled to the Maritime Analysis and Operations Centre — Narcotics (MAOC N) at the request of the Joint Task Force on three separate occasions since the establishment of MAOC N in September 2007. These visits were to planned conferences or handovers, and were not made in an operational capacity. The total cost of these trips, including travel and subsistence was €8,119.

Departmental Staff

112. **Deputy David Stanton** asked the Minister for Defence the military directorates which are located in Coláiste Caoimhín and Park House, respectively; the number of staff and their grades located in each of those premises; and if he will make a statement on the matter. [46655/10]

Minister for Defence (Deputy Tony Killeen): The table details the military directorates based in both Colaiste Caoimhin and Park House, along with the number of staff attached to each of those directorates and the ranks of those staff.

	COL	LT COL	COMDT	CAPT	LT	Total OFFR	SGT MAJ	BQMS	CS	CQMS	SGT	CPL	Total NCO	PTE	Chaplain	Civilian Employee	Total
<i>Colaiste Caoimhin</i>																	
Directorate Human Resource Management	1	2	5	11		19			2		12	8	22	3			44
Directorate Of Administration	1	2	6	6		15	1	1	1	1	3	4	11	5		1	32
Directorate Of Legal Services			1			1							0	1			2
Directorate Combat Support Services	1			1		2					2		2	1			5
Head Chaplain						0					1		1		1		2
Total	3	4	12	18	0	37	1	1	3	1	18	12	36	10	1	1	85
<i>Park House</i>																	
Directorate Of Training	1	1	4	4		10			1		3		4	3			17

Question No. 113 answered with Question No. 109.