



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

TUAIRISC OIFIGIÚIL—*Neamhcheartaithe*
(OFFICIAL REPORT—*Unrevised*)

Leaders' Questions	719
Order of Business	727
Statement of Estimates for Houses of the Oireachtas Commission: Motion	732
Prospects for Irish Economy: Statements (Resumed)	732
Topical Issue Matters	734
Prospects for Irish Economy: Statements (Resumed)	735
Topical Issue Debate	800
Ambulance Service Provision	800
Sexual Offences	803
Negative Equity Mortgages Numbers	806
Departmental Investigations	809
Ceisteanna - Questions	812
Priority Questions	812
Children and Family Services	812
Bullying of Children	814
Foster Care Provision	816
Adoption Legislation	818
Retail Sector Issues	820
Other Questions	821
Child Protection Services	821
Departmental Staff Recruitment	822
Health Reports	824
Retail Sector Issues	827
Children's Rights Referendum	829

DÁIL ÉIREANN

Déardaoin, 25 Deireadh Fómhair 2012

Thursday, 25 October 2012

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

Paidir.
Prayer.

Leaders' Questions

Deputy Barry Cowen: We listened carefully yesterday to the Tánaiste's comments on the economy. He said that a new perspective and a lot of honesty were required and that we should rid ourselves of the politics of denial and anger - things the Tánaiste championed on this side of the House, no doubt. Anyway, he continued to outline to the Dáil and to the people that the issues of mortgages and unemployment are being tackled through actions the Government is taking. Despite these actions, unemployment is rising and we heard from the Central Bank last week that the mortgage issue is not being dealt with. If the Tánaiste truly believes these things are being tackled, his speech allowed some major inferences about the politics of denial, and he is far more out of touch than we give him credit for.

We all welcome the fact that the Tánaiste seems to have converted to the politics of honesty rather than the politics of denial and anger. I imagine many of the Tánaiste's colleagues, including Deputies Shortall, Penrose, Broughan and Nulty and even Deputy Naughten, welcome it too. The Tánaiste should know - although he does not give that impression - that people are under ferocious pressure. ESB prices are up, petrol prices are up, gas prices are up and health insurance costs are up. Even those who have jobs are finding it remarkably difficult to make ends meet.

Deputy Emmet Stagg: Brass neck is up too.

Deputy Barry Cowen: Businesses do not have access to finance, whether the Tánaiste believes it or not. Despite all the facts about medical cards and carer's allowance and people waiting so long for results, are the European Union and the Tánaiste's counterparts fully aware of what the people are going through? Some Ministers say that Ireland's debt is unsustainable.

An Ceann Comhairle: We are over time. Thank you.

Deputy Barry Cowen: Does the Tánaiste believe this to be the case or does he believe that being on the cover of *Time* magazine and accepting awards is more important than telling his counterparts and the EU the real truth about what is happening in the Irish economy?

The Tánaiste: The real truth is that the people are suffering very badly from the consequences of what Deputy Cowen's party did in government prior to being booted out of office at

the beginning of 2011.

Deputy Willie O’Dea: That is history.

The Tánaiste: Deputy Cowen has some neck to come to the House and ask about what the EU thinks or what it is doing. Deputy Cowen’s Government tied us hand and foot to an agreement with the EU and the IMF at the end of 2010.

Deputy Timmy Dooley: The Tánaiste is in government now. This is not a commentary.

The Tánaiste: The Government was left with the task of having to unravel that and renegotiate it to get a better deal for the Irish taxpayer and the people, and we are proceeding to do that.

Deputy Niall Collins: He is Mr. Anger.

The Tánaiste: We are proceeding at several levels.

Deputy Timmy Dooley: This is spin city.

Deputy Willie O’Dea: What is the Tánaiste going to do?

The Tánaiste: First, the terms of the agreement have been the subject of renegotiation by the Government and that process is continuing to get a deal for the Irish taxpayer to lift the burden of bank debt to which Deputy Cowen’s Government tied us hand and foot. It tied the State and the Irish taxpayer to the fortunes of the banks in 2008 and repeated and consolidated that in 2010. We must unwind that now and we will do so.

Second, the country must proceed to create jobs and attract investment, which is what we have been doing.

Deputy Niall Collins: This is a Second Stage speech.

The Tánaiste: Since the Government was formed we have seen 17,000 additional jobs in the private sector, as against the huge job losses we saw during the previous period.

Deputy Willie O’Dea: There are 30,000 fewer at work now.

The Tánaiste: People are suffering as a consequence of mortgages, negative equity and everything that goes with that. This is the first Government to decide to tackle the issue of mortgages and introduce new legislation on personal insolvency, which is now almost at completion. This will provide the person who has a loan or mortgage with a greater degree of strength when negotiating with the bank.

An Ceann Comhairle: Deputy Cowen has one minute.

Deputy Ciarán Lynch: Give him as much time as he likes.

Deputy Barry Cowen: I thank the Tánaiste. Let us be honest about this.

Deputy Bernard J. Durkan: Do not start.

(Interruptions).

An Ceann Comhairle: Sorry; the Deputy has only one minute and he is entitled to it.

Deputy Barry Cowen: The reality is that the economy is flat. Even the Irish chief executives announced this morning that they cannot predict growth until late 2014. Naturally, we welcome any job announcements, especially the announcement this morning in County Louth, but overall, were those in government to look at the unemployment figures, they would see that they are rising despite the severely high level of emigration. I return to the nub of the question: can the Tánaiste - with a degree of perspective and honesty, as he put it, and in the absence of denial or anger - tell us when, not how, the moral and economic benefit of retrospective capitalisation will accrue to us, the people? As the Taoiseach eventually agreed on Monday, the people effectively saved the euro by virtue of recapitalisation at their expense.

Deputy Aodhán Ó Ríordáin: He never said that.

Deputy Barry Cowen: In saying that, the Taoiseach rubbished the commitment the Tánaiste had given to the people, for which he subsequently got a mandate, to the effect that he would burn bondholders. I would say it was almost treasonous to give the people that impression, but I will let the Tánaiste live by that commitment.

An Ceann Comhairle: The Deputy is over time.

Deputy Barry Cowen: Let the Tánaiste answer the question on when, not how, the people will get what is due to them.

Deputy Emmet Stagg: On the back of a lorry in Clara again.

The Tánaiste: The people will get a deal when we are satisfied we have got the best deal available for the taxpayer. Let me assure the Deputy that we will get the best deal for the taxpayer.

Deputy Barry Cowen: The Tánaiste is obliged to get it.

The Tánaiste: We are so obliged, financially and politically.

Deputy Barry Cowen: The Tánaiste would not burn a sod of turf.

The Tánaiste: We are obliged to get it because of the incredible mess and hames the previous Government made of this. It tied the fortunes of the taxpayer to the banks. It gave them a blanket guarantee.

Deputy Barry Cowen: The Tánaiste promised them an open door which he then locked.

The Tánaiste: It then tied the taxpayer hand and foot to an EU-IMF deal which we have to unwind. We will deal with the mess Fianna Fáil in government created and we will get the best possible deal for the taxpayer.

Deputy Emmet Stagg: Deputy Barry Cowen should put that in his pipe and smoke it.

Deputy Mary Lou McDonald: The troika will conclude its review of the so-called bailout programme today and no doubt will give us a collective pat on the back and congratulate the Government on meeting its cutback targets. It thinks the Government is doing a great job because it is keeping it happy, but back at the ranch it is very different for citizens, particularly those who rely on the health service. Sinn Féin has no confidence in the Minister for Health, Deputy James Reilly, who presides over disaster after disaster. I note the Tánaiste seems to have little confidence in him. Only his lack of confidence can explain his decision to keep an

eye over the Minister's shoulder in respect of the location of the national children's hospital. That is a wise move on his part.

I suggest the Tánaiste open investigations on a couple of other fronts. For instance, he might have a look to see how people are supposed to manage on home help allocations of 30 minutes a week. He might have a look at the case of Ms Jennifer Banks, a Galway woman, a multiple sclerosis sufferer who cannot get the medication she needs to deal with chronic pain. He might also explain why the Minister continues the illegal operation of the mobility allowance scheme. He might also usefully ask the Minister to explain why he met NAMA on 20 April to discuss the provision of a primary health care centre in Balbriggan. That meeting took place months in advance of his doctoring of the list of primary health care centres to be built.

An Ceann Comhairle: The Deputy should be very careful using that sort of language - "doctoring".

A Deputy: The Minister is a doctor.

Deputy Mary Lou McDonald: I stand by my use of language.

An Ceann Comhairle: One does not make allegations.

Deputy Mary Lou McDonald: I have two questions for the Tanaiste. What is he going to do about the mobility allowance scheme and the fact that the State is operating outside the law? Second, what about the meeting the Minister had with NAMA on 20 April? The Minister has made it clear in an answer to parliamentary questions that at that meeting he discussed the issue of a primary health care centre in Balbriggan. We know that the list of centres to be built was subsequently changed and that Balbriggan was included.

The Tánaiste: There is quite a lot in the question asked by the Deputy and I will deal with the matters in the series they were addressed to me.

On the issue of the national children's hospital, the Government will proceed with the building of the hospital. There has been talk for as long as I can remember about the building of such a hospital. We are going ahead and will build it. As the Deputy will be aware, An Bord Pleanála struck down the planning application for the original site identified as the location of the hospital and the Government subsequently appointed a group to look at the options available to it. We will be considering the report from that group in the near future. The Taoiseach gave an indicative timeframe in that regard when he addressed the issue in the House during the week. The people need to be assured that the Government will proceed with the building of a national children's hospital and we have identified the source of the funding for it. It will be of enormous benefit to the people, particularly children.

The Ombudsman has made a report on the mobility allowance issue. She has recommended that the upper age limit of 66 years as a condition of the mobility allowance scheme be removed with immediate effect. She has recommended that the HSE reconsider the applications of the four complainants mentioned in the report and that it reconsider the applications received since 1 April 2011 which were refused solely on the basis of the upper age limit. This matter requires further consideration by the Government in order to meet the requirements of the Equal Status Act 2000 and ensure there is no hardship for those in receipt of the mobility allowance. We are seeking further legal advice on the options available to the Government. It is not its wish to withdraw the allowance from those who receive it. It will be seeking legal advice on how

we can proceed in a way that is reasonable and sustainable and will not cause undue distress to those in receipt of the allowance. The Ombudsman found in an investigation she conducted that an upper age limit of 66 years for the allowance was not in compliance with the Equal Status Act and recommended that the scheme be reviewed and brought into compliance with the Act. She also raised the issue in her 2011 annual report. The mobility allowance was established in 1979 by way of a departmental circular. There were two further circulars, in 2002 and 2007, but the basic criteria applied remain. A person must be unable to walk or be in such a condition that the exertion required to walk would be dangerous to his or her health. The allowance is payable by the Health Service Executive, subject to a means test, to persons with a severe disability.

An Ceann Comhairle: Thank you, Tánaiste.

The Tánaiste: Have I run out of time?

Deputy Mary Lou McDonald: I would like an answer to the NAMA question.

Deputy Jonathan O'Brien: What about the Minister and NAMA?

An Ceann Comhairle: If the Tánaiste wishes to finish his point, he may proceed.

The Tánaiste: I thought the Ceann Comhairle was discontinuing my contribution.

Deputy Timmy Dooley: Can we get to the NAMA question, please?

An Ceann Comhairle: I was only making a gentle intervention.

The Tánaiste: As I stated, the allowance is designed to help eligible persons-----

Deputy Mary Lou McDonald: We are familiar with the allowance.

Deputy Ann Phelan: The Deputy asked the question.

The Tánaiste: I am replying to it. Deputy Mary Lou McDonald asked about the mobility allowance.

Deputy Willie O'Dea: The Tánaiste is trying to talk it out.

Deputy Ruairí Quinn: They are not serious about the issue.

Deputy Mary Lou McDonald: The Tánaiste is running down the clock.

The Tánaiste: This is what is of interest. There is a report from the Ombudsman and the Government respects the Office of the Ombudsman. It is perfectly reasonable that Deputy Mary Lou McDonald should ask the question here this morning. There are many who want to know in what way we are dealing with the issue and I am explaining the position to the Deputy. It is of interest to the public. Currently, the amount payable is €208.50 per month. There are in excess of 4,500 recipients of the allowance, at a total cost of €12 million. As I stated, the Government is considering the report of the Ombudsman. We must take further legal advice on it and the recommendations made, particularly as they relate to the Equal Status Act.

Deputy Mary Lou McDonald: What about the Minister and NAMA?

Deputy Jonathan O'Brien: What about NAMA?

Deputy Willie O’Dea: What about the Minister? There was a third question.

A Deputy: The Deputy is only allowed to ask one.

Deputy Mary Lou McDonald: The Tánaiste deliberately ran down the clock.

Deputy Emmet Stagg: The one question rule applies.

Deputy Ann Phelan: The questions were answered in the order they were asked.

Deputy Emmet Stagg: I thought a Deputy was entitled to ask one question only, not five.

An Ceann Comhairle: We cannot have comprehensive questions being asked all over the place. This is Leaders’ Questions.

Deputy Mary Lou McDonald: That is correct.

Deputy Barry Cowen: Is it one question a week?

An Ceann Comhairle: Let us be reasonable and we will do the best we can. I ask Deputy Mary Lou McDonald to proceed.

Deputy Timmy Dooley: This is the Labour Party’s custodial democracy.

Deputy Mary Lou McDonald: I have asked reasonable questions.

An Ceann Comhairle: Questions, yes.

Deputy Emmet Stagg: Deputy Mary Lou McDonald asked five questions.

Deputy Barry Cowen: That is too many for the Labour Party. One a week is all it wants.

Deputy Mary Lou McDonald: On the mobility allowance, in 2008 the State acknowledged that it was acting outside the law in having an upper age limit. Will the Tánaiste tell us if the Government proposes to rectify the situation? There is no question but that the State is acting outside the law. It must bring this scheme within it. I also ask the Tánaiste to answer my question on the meeting between the Minister, Deputy James Reilly, and NAMA in April.

An Ceann Comhairle: That is a separate issue.

Deputy Mary Lou McDonald: Did the Tánaiste speak to the Minister about this matter? Did he tell the Tánaiste that he had met NAMA?

Deputy Emmet Stagg: The Deputy is only entitled to ask one question.

Deputy Mary Lou McDonald: Did the Minister tell the Tánaiste that they had discussed the issue of primary care centres and their locations? Did he tell him that Balbriggan was part and parcel of that discussion? If the Tánaiste knew all of this, did it not set alarm bells ringing? He stood up here and gave a very long, elaborate answer on one issue that I had raised, but he is clearly dodging the issue of NAMA and the Minister. Did he know that the meeting had taken place and if he did not, will he raise the matter with the Minister?

An Ceann Comhairle: Before the Tánaiste responds, I wish to make a point. I do not like to interrupt Deputies when they are asking questions, but I want to make it clear that in the fu-

ture they cannot bring in three or four topics when asking questions.

Deputy Jonathan O'Brien: It does not matter because they do not answer questions anyway.

An Ceann Comhairle: We allow a question to the Taoiseach or the Tánaiste. I ask Deputies to respect this.

The Tánaiste: I am willing to answer questions raised here, but it is my understanding that during Leaders' Questions, when questions are asked without notice, the rule of the House is that the representative of each party can ask one question. I will be quite happy, if the rules are changed, to answer four or five questions, if necessary. I would have no problem with this.

Deputy Willie O'Dea: The Tánaiste makes up the rules as he goes along.

Deputy Barry Cowen: One question a week is enough for the Tánaiste.

The Tánaiste: I have tried to give a comprehensive answer. Deputy Mary Lou McDonald asked about the children's hospital and the mobility allowance.

Deputy Willie O'Dea: The Tánaiste is going to talk it out again.

The Tánaiste: Having given Deputy Mary Lou McDonald a comprehensive answer to those questions, she is now saying I did not answer the other one.

Deputy Timmy Dooley: The Tánaiste needs to cut the waffle and answer the question.

The Tánaiste: It is a parliamentary trick.

Deputy Timmy Dooley: The Tánaiste is fairly handy himself at parliamentary tricks.

The Tánaiste: That is fair enough and I recognise it for what it is and call it as it is.

Deputy Willie O'Dea: We recognise what the Tánaiste is doing too - he is not answering the question.

The Tánaiste: Regarding the question on the mobility allowance, we have the report from the Ombudsman which is under consideration by the Government. We must obtain legal advice on how to proceed because, obviously, the recommendation made in the report concerns compliance with the terms of the Equal Status Act. We are obtaining that advice. The second report issued by the Ombudsman yesterday will be considered by the Government.

Regarding individual Ministers, who they meet and what is in their diaries, I cannot track, nor do I want to, the diaries of every Minister, who they met-----

Deputy Timmy Dooley: The Tánaiste wanted to do it when he was in opposition.

The Tánaiste: I could not possibly do so.

Deputy Mary Lou McDonald: Therefore, the Tánaiste did not know about the meeting.

Deputy Pearse Doherty: The Labour Party Minister of State resigned over this.

An Ceann Comhairle: I call Deputy Thomas Pringle.

Deputy Pearse Doherty: Did the Tánaiste know about the meeting?

An Ceann Comhairle: I have called Deputy Thomas Pringle.

(Interruptions).

Deputy Pearse Doherty: Does the Tánaiste know that it is illegal to lobby NAMA?

An Ceann Comhairle: Will the Deputy, please, give way to Deputy Thomas Pringle?

Deputy Thomas Pringle: Mental illness and suicide are major problems in our society. There are three times more deaths by suicide than on the roads every year. This week Turn the Tide of Suicide launched a campaign for the establishment of a suicide prevention authority. It is time this proposal was given very serious consideration, as up to 700 people take their lives by suicide every year. Over 300,000 people suffer from mental illness, while 75,000 self-harm every year. Surely this represents a crisis of national proportions. The National Office for Suicide Prevention is clearly limited and underfunded. Being part of the HSE, it is not independent and cannot be an advocate for vulnerable persons. The programme for Government contains a commitment to ring-fence €35 million annually for mental illness initiatives, but one must ask where this funding has gone to. Have mental health services expanded or has the money been used to close gaps in the health budget? We have seen the success in recent years of the Road Safety Authority in reducing the number of road deaths, notwithstanding the terrible tragedies in recent days. A suicide prevention authority could achieve similar results. It needs a Government commitment to establish such an authority and ensure it would have an adequate budget to operate effectively. Will the Government give that commitment and start the process of closure for the thousands of families, loved ones and friends who have been bereaved by suicide? Such a commitment could, over time, result in people at risk receiving help and the toll on our society being reduced.

The Tánaiste: I thank the Deputy for raising this matter and agree with him on the huge tragedy suicide presents for families, loved ones and friends of those who take their own lives. I also agree that the level of suicide in Ireland is very disturbing. It is something Deputy Dan Neville, in particular, has been highlighting for quite some time. It is also an issue about which the Minister of State at the Department of Health, Deputy Kathleen Lynch, is particularly concerned. In that context, the Government decided to allocate a specific budget of €35 million for mental health services in order to address the issue of suicide. However, it is not really a question of putting in place an authority or an office. Suicide is a problem that is not solvable simply by putting in place a State office or body to deal with the issue. Instead, what we must do, through the health service and more widely in society, is address the causes of suicide. We must ensure there are interventions at a personal level for people who are at risk. Sometimes, though, it is not very obvious or clear that someone is suicidal. We have all come across cases of suicide in which the people who took their own lives were the last people we would have expected to do so. Very often we do not know what is going on or what is troubling people in their lives. Suicide is a priority issue for the Minister of State who I am sure would be very happy to discuss in detail with the Deputy the measures she is taking to address it.

Deputy Thomas Pringle: I thank the Tánaiste for his answer, but other countries in Europe have established national offices to tackle the issue of suicide with some success in that they have reduced the numbers of deaths by suicide. It is vital that we take the issue seriously and consider establishing a suicide prevention authority. It is clear that the €35 million referred to

25 October 2012

has not been spent on mental illness initiatives and has not been ring-fenced. I ask the Tánaiste to outline clearly where the money was spent this year. How can we have faith that next year when this money is given to the HSE, it will be used for the purposes intended? That is why it is vitally important we have a suicide prevention authority, with control of its own budget, which could work with determination on this issue. As the Tánaiste has said, a Minister of State from his own party has responsibility in this area. It is time she clearly outlined where the €35 million was spent this year. She must also ensure it is spent appropriately next year. Otherwise, we will be here again next year noting that the money has been used to plug yet another gap in the overall HSE budget.

The Tánaiste: I will ask the Minister of State to brief the Deputy directly on the measures she is taking to address the issue of suicide and also the way in which the budget for mental health services is being spent. We must ensure any measure we take to deal with the issue of suicide, the level of which I agree is alarmingly high, is effective, whether it be the establishment of a dedicated office or authority or some other method.

11 o'clock

The important thing is to ensure that whatever measures are taken are effective. I will ask the Minister of State at the Department of Health, Deputy Kathleen Lynch, to provide a briefing on the actions she is taking to address this.

Order of Business

The Tánaiste: It is proposed to take No. 13a, motion re statement of Estimates for the Houses of the Oireachtas Commission 2013; and No. 19, statements on the economy (resumed).

It is proposed, notwithstanding anything in Standing Orders, that the Dáil shall sit later than 5.45 p.m. tonight and shall adjourn on the conclusion of Oral Questions; No. 13a shall be decided without debate; the proceedings in relation to No. 19 shall, if not previously concluded, be brought to a conclusion at 4.30 p.m. today, and the order shall resume thereafter with Topical Issues; and the Dáil on its rising today shall adjourn until 2 p.m. on Tuesday, 6 November 2012.

An Ceann Comhairle: Is the proposal that the Dáil shall sit later than 5.45 p.m. agreed to? Agreed. Is the proposal for dealing with No. 13a without debate agreed to?

Deputy Mary Lou McDonald: Not agreed.

Deputy Catherine Murphy: Not agreed.

Deputy Richard Boyd Barrett: Not agreed.

An Ceann Comhairle: Only those who represent parties can object to the proposal.

Deputy Mary Lou McDonald: It is almost scandalous that the Government would wish to push through this Estimate without debate. The Estimate covers all the expenses associated with the operation of the Houses of the Oireachtas, including the salaries of Members and of-office holders, expenses and allowances. These are the very things that Members of this House examine in respect of other sectors. They pick over the minutiae of such expenses when they relate to gardaí, nurses or teachers.

Deputy Derek Nolan: Deputy McDonald did that in the Committee of Public Accounts on Tuesday.

Deputy Mary Lou McDonald: It is unacceptable that the Estimate is being put through the Dáil on the nod. We need a full debate on remuneration, allowances and expenses as they pertain to us. This the forum for such a debate. We object in the strongest of terms to the taking of this motion without debate.

Deputy Derek Nolan: Was the Deputy wasting her time on Tuesday?

Deputy Barry Cowen: We reject the proposal to take this motion without debate. It should be fully debated in the interests of transparency and of the public.

Deputy Emmet Stagg: Well done for jumping on the bandwagon.

Deputy Barry Cowen: It is only fair and proper that it be debated, irrespective of how many bandwagons my friends to the right jumped from over the past 18 months.

Deputy Emmet Stagg: Chancers.

Deputy Willie O’Dea: To the right is right.

Deputy Barry Cowen: Far right.

Deputy Richard Boyd Barrett: I object strongly to the proposal to take the motion without debate. Everybody knows that the public is angry about what they are being made to face. They are required to count every cent and they are fearful of what they may lose.

Deputy Regina Doherty: What about Deputy Boyd Barrett’s leader’s allowance?

Deputy Bernard J. Durkan: What about his allowances?

An Ceann Comhairle: Deputy Boyd Barrett is entitled to make a short statement on behalf of his party.

Deputy Ray Butler: He got €142,000.

An Ceann Comhairle: Please allow the Deputy to make a statement without interruption.

Deputy Richard Boyd Barrett: People are fearful about the forthcoming budget and every cent is being scrutinised. Many are living in poverty. It is understandable that the public should demand full transparency and accountability for expenditure relating to this House.

Deputy Paul Kehoe: For fixing the Deputy’s car.

Deputy Richard Boyd Barrett: Independent Deputies have attempted to raise serious issues about expenditure on staff and allowances from which party members can benefit but Independent Members cannot. These issues should be debated and scrutinised in Dáil Éireann in full public view.

Deputy Ray Butler: That is incredible from someone who received €142,000.

Deputy Richard Boyd Barrett: Why are expenses not vouched?

25 October 2012

Deputy Simon Harris: Where are the Deputy's receipts?

Deputy Stephen S. Donnelly: I do not believe this.

Deputy Bernard J. Durkan: What did he spend it on?

Deputy Stephen S. Donnelly: Why are the Deputies opposite so afraid of debate?

Deputy Bernard J. Durkan: What did he spend it on? He got enough of it.

Deputy Richard Boyd Barrett: Why are expenses not vouched?

Deputy Stephen S. Donnelly: The Deputies opposite keep shouting, but we are the ones calling for a debate on these issues.

An Ceann Comhairle: I ask Deputies to stop shouting.

Deputy Stephen S. Donnelly: We want a debate. Let us have it out in the open.

Deputy Ray Butler: How much does it cost for the Deputy to get excited?

Deputy Paul Kehoe: His €40,000 could be in danger.

Deputy Ray Butler: Give it back.

An Ceann Comhairle: Please allow the Tánaiste to reply.

The Tánaiste: I understand this motion is required to be passed by the end of October and this is the last opportunity to do so. I propose that the motion be taken for that reason. However, the Government is agreeable to a debate on the Estimates for the Houses of the Oireachtas. We will arrange through the Whips for that debate to take place at the earliest opportunity.

Deputy Willie O'Dea: After the event.

Deputy Timmy Dooley: A retrospective debate.

Deputy Stephen S. Donnelly: This is a joke of a parliament.

The Tánaiste: There is no problem-----

Deputy Stephen S. Donnelly: How about a debate on the Estimate before it becomes law?

An Ceann Comhairle: I ask the Deputy to behave himself and let the Tánaiste speak.

The Tánaiste: I have no problem holding a debate or taking whatever action is required on foot of that debate. However, this motion has to be passed by the end of October.

An Ceann Comhairle: As Chairman of the Houses of the Oireachtas Commission I am glad to report that these matters are scrutinised by the commission, and I have asked that all details be put on the website under every heading so that the public can be aware of everything. The Estimate will show that savings have been made to the value of millions of euro.

Deputy Catherine Murphy: We are not represented on the commission.

Deputy Stephen S. Donnelly: Neither Sinn Féin nor the Technical Group is represented on

the commission.

Deputy Paul Kehoe: If they come back with more seats they might be represented.

Question put: “That the proposal for dealing with No. 13a, motion re statement of Estimates for the Houses of the Oireachtas Commission without debate be agreed to”.

The Dáil divided: Tá, 66; Níl, 40.	
Tá	Níl
Barry, Tom.	Adams, Gerry.
Breen, Pat.	Boyd Barrett, Richard.
Broughan, Thomas P.	Browne, John.
Butler, Ray.	Calleary, Dara.
Buttimer, Jerry.	Collins, Joan.
Byrne, Catherine.	Collins, Niall.
Carey, Joe.	Colreavy, Michael.
Coffey, Paudie.	Cowen, Barry.
Collins, Áine.	Daly, Clare.
Conaghan, Michael.	Doherty, Pearse.
Conlan, Seán.	Donnelly, Stephen S.
Connaughton, Paul J.	Dooley, Timmy.
Conway, Ciara.	Ellis, Dessie.
Coveney, Simon.	Ferris, Martin.
Creed, Michael.	Fleming, Tom.
Daly, Jim.	Grealish, Noel.
Deering, Pat.	Halligan, John.
Doherty, Regina.	Healy, Seamus.
Donohoe, Paschal.	Healy-Rae, Michael.
Dowds, Robert.	Kelleher, Billy.
Doyle, Andrew.	Kitt, Michael P.
Durkan, Bernard J.	Lowry, Michael.
English, Damien.	McConalogue, Charlie.
Feighan, Frank.	McDonald, Mary Lou.
Fitzgerald, Frances.	McGrath, Mattie.
Fitzpatrick, Peter.	Moynihan, Michael.
Flanagan, Charles.	Murphy, Catherine.
Flanagan, Terence.	Ó Caoláin, Caoimhghín.
Gilmore, Eamon.	Ó Cuív, Éamon.
Griffin, Brendan.	Ó Fearghaíl, Seán.
Hannigan, Dominic.	Ó Snodaigh, Aengus.
Harrington, Noel.	O’Brien, Jonathan.
Harris, Simon.	O’Dea, Willie.
Hayes, Brian.	O’Sullivan, Maureen.
Heydon, Martin.	Pringle, Thomas.

25 October 2012

Howlin, Brendan.	Ross, Shane.
Humphreys, Kevin.	Smith, Brendan.
Keaveney, Colm.	Stanley, Brian.
Kehoe, Paul.	Tóibín, Peadar.
Kelly, Alan.	Wallace, Mick.
Kenny, Seán.	
Lawlor, Anthony.	
Lynch, Ciarán.	
Lyons, John.	
McLoughlin, Tony.	
McNamara, Michael.	
Maloney, Eamonn.	
Mathews, Peter.	
Mitchell O'Connor, Mary.	
Murphy, Dara.	
Murphy, Eoghan.	
Naughten, Denis.	
Neville, Dan.	
Nolan, Derek.	
Ó Ríordáin, Aodhán.	
O'Donnell, Kieran.	
O'Mahony, John.	
Penrose, Willie.	
Perry, John.	
Phelan, Ann.	
Quinn, Ruairí.	
Reilly, James.	
Shortall, Róisín.	
Stagg, Emmet.	
Tuffy, Joanna.	
Walsh, Brian.	

Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Aengus Ó Snodaigh and Catherine Murphy.

Question declared .

An Ceann Comhairle: Is the proposal for dealing with No. 19, statements on the economy agreed to? Agreed. Is the proposal that the Dáil on its rising today shall adjourn until 2 p.m. on Tuesday, 6 November 2012 agreed to? Agreed.

Statement of Estimates for Houses of the Oireachtas Commission: Motion

Deputy Dan Neville: I move:

That Dáil Éireann take note of the Statement of Estimates of moneys required in respect of ongoing expenditure for the period beginning on 1st January, 2013 and ending on 31st December, 2013, prepared and published by the Houses of the Oireachtas Commission in accordance with section 13 of the Houses of the Oireachtas Commission Act 2003, as amended by section 8 of the Houses of the Oireachtas Commission (Amendment) Act 2006 and section 9 of the Houses of the Oireachtas Commission (Amendment) Act 2009, which was laid before both Houses of the Oireachtas on 24th October, 2012.

Question put and agreed to.

Prospects for Irish Economy: Statements (Resumed)

Deputy Derek Nolan: The sources of the awful damage inflicted on the Irish economy are to be found beyond economic regulation, economic institutions and the world economy. They are much broader and closer to home. The damage that was done to the economy related more to arrogance and greed, flawed values and the awful indifferent attitude of “sure won’t everything be grand” that is sometimes prevalent in Ireland. These wrongs worked their way into every aspect of our society - our media, commerce, political institutions and economic architecture - in varying degrees. It is certain that the consequences of these difficulties have been appalling. Ordinary people are paying the price through unemployment, reduced incomes, negative equity and terrible uncertainty about circumstances and their family’s future.

When I speak to my constituents in Galway West, members of my party, people in my family and my friends, I find they are uncertain and afraid of the economic situation we face. I am forced to reconcile my political heart and political instincts with actions being taken by this Government that might be naturally contrary to that thinking. I did not get into politics to cut deficits and reduce spending. I am motivated in politics to create a more inclusive society in which every citizen regardless of background, class or creed has an opportunity to participate fully, live to his or her potential and contribute to society. I am in politics to progress rights, but I face the contradiction of supporting an agenda that seeks in some cases to reduce those rights, as expressed through services or payments. At a time where our political and economic survival as a State is in jeopardy, the rationalisation I profess is that the greater good involves protecting even more basic rights, such as the right to a functioning health system, the right to a funded education system and the right to provision of social protection.

As we debate the economy today, we should not fall into the trap of speaking of the depeopled economy in which the individual rarely features. We can get lost in discussions on gross domestic product, market flexibility, competitiveness and cost ratios. These are very relevant and important, but not in isolation from this country’s people and its communities. Our previous economic model did not ask what we expected those who participate in the economy to be able to secure from it. Jobs and unemployment are regularly discussed now. Do we want low-wage jobs, high-skill jobs, jobs that pay well or jobs that merely allow people to survive? Our discussion on the economy must capture what those who are willing to work can expect and be entitled to receive from that participation.

25 October 2012

My predecessor in this House, Michael D. Higgins, often referred to the concept of the social floor, which refers to the rights and dignities to which everyone is entitled by virtue of his or her citizenship. This idea is more suited to this time than many people realise. We are in the midst of a homegrown economic crisis that is compounded by a European debt crisis and a sluggish global economy. The latter issues did not instruct our crisis, but they are severely hampering our ability to recover from it. I appreciate that the Government has focused on job creation and economic growth as priorities since it took office. Its record is commendable. I am happy to be a member of the Labour Party, which is such a vital part of that Government. The reality is that our difficult economic circumstances are likely to be with us for a considerable time. We will not see full employment for some years to come. Our economic adjustment or deficit reduction has some years remaining.

There should be two parts to our task. The Government is doing the first of these, which involves focusing on jobs and growth. The second thing we should do is use this crisis to reform and renew our expectations of the economy. We need to change its architecture so the concept of the social floor can be realised and progressed over time. The Government is making that kind of transition in the area of health as it strives to provide universal health insurance and free primary care services to everyone on the basis of need. Such expectation is a key element of the social floor, which is why our reforms should be extended to areas such as education and social welfare and other areas where such an approach would not normally be considered appropriate, such as the arts. The participation of as many people as possible in the arts adds to the community, adds to participation levels and adds to the creativity of our society. Equally, I suggest that if we provide for access to services in areas like criminal justice and transport, we will improve participation in society within the terms of the concept of the social floor.

We might not be able to raise the social floor as much as we might like at this strenuous time, but if we put a vision and framework in place to that end, we can assure people that the hardship being endured by them and by the State is not in vain and not without hope. If we want to change that model, tough choices will have to be made and preconceptions will have to be challenged. An element of our previous economic model that worked was the encouragement and development of foreign direct investment. The wealth that helped to create was invested lazily in many cases. Under the economic model that pertained, the only productive use most people considered reasonable for the wealth that came into this country was the purchase of property. The possibility of investing in businesses or new ideas, or being entrepreneurial or ingenious, was confined to a small minority of the population and did not spread throughout the economy. We have to make some difficult choices in relation to the property market. It is an issue that needs to be the subject of a clear debate.

The focus on property was a large part of the reason our economy got to where it was. Young couples and people starting off in life saw they were forced by the media, by their peer groups and by every section of society to get on the property ladder. It created such a force that property prices skyrocketed. We often forget that during the 2000s, when the economy was growing at unreasonable, unmanageable and unsustainable rates that were too high, this country's cost base skyrocketed - I refer to labour costs, housing costs and wage demands - in line with the fuelling of people's need and desire to get on the property ladder. I read many commentaries in newspapers and elsewhere in the media about the sluggish property market and the deflation in property prices. It has been suggested that it will take 20 years to get back to the peak and to restore property prices to where they were. We have to ask a fundamental question. Do we want to do that all over again? Is it desirable for property prices, which are now affordable for

the first time in a very long time, to start to rise again if that would put pressure back on people? There are consequences to either strategy. If we allow property prices to inflate once more to a level where the cost of property is out of proportion to the ability of people to pay, we will put wage pressure, competitive pressure and price pressure back on young couples and the cycle will start again. Instead, I believe we must contain property prices, control the price of building land and make sure that buying a house, something that is very basic to the Irish model and the Irish psyche, is not something that will burden a person with 35 years of large debt repayments and dominate the person's economic life for that period. The corollary of that is to accept we are not trying to reverse the situation for those people who bought properties at the peak of the boom and are now in negative equity.

The future economy we want to have ought to be based on inclusiveness, citizenship and a social floor that includes people. What people really want to hear is that, if we are working through these hard times and getting through what is the most difficult economic period in the history of the State, there is something to work towards which is different and will not allow a repeat of what happened. However, let us not lie to people by telling them there are easy options and that difficult choices are not required. The property price model is just one example of a systemic change in mindset that will have to happen if we are to be sustainable.

To conclude, this debate is welcome and it ought to be broader. The economy is not an isolated entity that works in a vacuum; it has an impact on everybody. It is shaped and moulded by the political infrastructure we have in the State, economic regulation, perceptions in the media and our culture. Any debate on the economy must be value-based, people-based and based on what people who want to go to work, participate in the economy and give what they can, can expect from an economy. It should not be measured solely in terms of growth figures because, if it is, we risk repeating the very mistakes that happened over the course of the boom and we are doomed to repeat that terrible failure.

Topical Issue Matters

An Leas-Cheann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Colm Keaveney - the need to provide a 24-7 ambulance service in Tuam, County Galway; (2) Deputy Aengus Ó Snodaigh - the need to open a new purpose-built 70-bed public nursing home in Inchicore, Dublin; (3) Deputy Paschal Donohoe - the need to make provision in budget 2013 for householders in negative equity and specifically those whose homes are too small for their needs; (4) Deputy Áine Collins - the need to maintain a nationwide post office service; (5) Deputy Michael Moynihan - the need to adopt a flexible approach to ground inspections in view of the bad weather during the summer; (6) Deputy Eamonn Maloney - the need for strict regulation of the high-energy drinks market; (7) Deputy Billy Kelleher - the way in which the mobility allowance scheme has been administered in view of the recent report of the Ombudsman; (8) Deputy Barry Cowen - the information issued pertaining to the household charge; (9) Deputy Mick Wallace - the imminent recruitment of senior posts for Irish Water; (10) Deputy Clare Daly - the health and cost implications of the delay in the operation of Eir-Grid's east-west interconnector; (11) Deputy Seamus Healy - the need to approve the cancer drug, zytiga, for inclusion under the medical card scheme; (12) Deputy Joan Collins - the non-implementation of the Equal Status Act 2000 in relation to the upper age limit for receipt of mobility allowance; (13) Deputy Luke 'Ming' Flanagan - the need to commission an up-to-date

25 October 2012

report on sexual abuse given that it is ten years since the publication of the SAVI report; (14) Deputy John Lyons - the need to improve maternity services for patients at the Rotunda Hospital, Dublin; (15) Deputy Mattie McGrath - the proposed closure by means of compulsory purchase order of level crossing XC147, County Tipperary; (16) Deputy Gerald Nash - the need to amend the Dr. Neary redress scheme to address the needs of the 30 women left out of the original scheme on grounds of age; (17) Deputy Thomas P. Broughan - services on the north side of Dublin for sufferers of cystic fibrosis; (18) Deputy Dessie Ellis - the letters sent to households recently relating to the payment of the household charge; and (19) Deputy Seán Crowe - the letters mistakenly sent to people who had paid the household charge looking for payment.

The matters raised by Deputies Colm Keaveney, Luke 'Ming' Flanagan, Paschal Donohoe and Michael Moynihan have been selected for discussion.

Prospects for Irish Economy: Statements (Resumed)

Deputy Mattie McGrath: I am pleased to speak in this important debate on the economy. It is important that we mean what we say and try to give credence to the issues we talk about. I listened to the Taoiseach and the Tánaiste speak yesterday. I do not know if it is all in their minds or all spin to be talking up the economy as they are. I notice their stated aim in the programme for Government is to reignite and regenerate the economy but we seem to be going the wrong way about it. It has now been recognised by the IMF that all the financial rectitude and austerity is not working. To prepare a budget that will in six weeks' time take another €3 billion to €5 billion out of the economy is just false economy.

We can talk all we like about new initiatives - and we have seen some, which I welcome - but those to do with microfinance and funding for small businesses have been too slow. The new schemes are not effective. There was talk of all kinds of supports for work, for example, during the Private Members' debate this week on the sick pay scheme, but I do not know where this is coming from. There is obviously a problem with sick pay, as the Minister accepted, and it is mainly in the public service. I listened to the debate last night and do not want to be repetitive. As a small employer, I know most employers have good relations with their staff. If staff go out sick, they are paid for the first couple of days; most come back within a day or two when they are fit to do so, and there will not be prolonged sickness. If that legislation comes in, on top of all the other legislation that has come in over the past 20 years, it will result in much duplication and replication.

It is said that when England sneezes, Ireland coughs. Now, when Europe says "Jump", we seem to say "How high?" As an example of legislation that has been taken in here from Europe, the nitrates directive that was passed some years ago is nonsensical in that it is based on calendar months. In most years, the weather has been so wet a person could not get onto land to spread the slurry. This year has been worse because cattle could not be taken out of the sheds and they are now in again because the land is so wet. We are approaching the final day of October with still no sign of an extension to the date. We have to spend time, energy and effort, with Ministers meeting Ministers and Departments meeting Department officials, to discuss this issue. It is nonsensical legislation because it should be related to climatic conditions rather than calendar months. This is one example that illustrates my point.

Health and safety is another issue. While it is badly needed and we must have due regard to the issue, it has gone totally bananas and over the top. It has become an industry for the

people working in it, many of whom make quite a good living at it. What are they doing? They are persecuting ordinary business people. Many of those who come out to deal with health and safety issues do not have the first clue about it, as the Minister of State, Deputy Perry, will know, being in business himself. They have a folder under their arm or a briefcase and they have regulations to enact, but in many cases - certainly in my business - they do not know the function of the machines or how they operate. It is impossible for business people to continue because common sense seems to have stayed out on Kildare Street when these people were here drafting this legislation. I do not know what they were thinking about.

I am not here to criticise the public service; I am here to criticise the permanent government. Governments come and Governments go, and Ministers come and Ministers go, but these officials are there and neither hell nor high water would change them, their ideas or their thinking. There will have to be a whole dismantling of the government set-up that has been grown and created, which is self-serving rather than serving the public. This is at the basic root of our financial difficulties. I accept we are in a worldwide recession but we partied here, we were allowed to party and the party was promoted. As the last speaker said, everything was based around property, with the bankers and everyone else involved in firing out money recklessly. We had no regulation. The regulator was asleep, but what did we do? We rewarded him with a pleasant pension and a lump sum going off. Thankfully, some people have now been brought before the courts but nobody has yet been found guilty of anything.

Everybody was involved. The politicians paid the price, many from the party I was involved in, which I parted ways with because of the carry-on. However, not one official has been held to account for lack of regulation or any of the bad advice, the stupid advice, the non-advice or the warnings that were not given. I read recently in Deputy Ross's book that one medium-ranking official in the Department of Finance was sounding the warning bell but she was silenced and banished. That is not fit for purpose.

I attended a committee yesterday looking into the issue of Valentia and Malin Head. As I am not from those areas, I did not speak, but I listened, and I saw nothing but arrogance from officials. Reports have been commissioned and when the reports did not suit them, they dissected them and took out all the critical parts. What kind of a system have we grown into? When are we going to say "Stop"? When are we going to change it? The Government promised transparency and everything else but we got the exact opposite of what it promised. There seems to be ineptitude on all sides in dealing with the system. The system is dragging our economy into the mire and will keep it there, while fat cats can earn lots of money and enjoy expenses, foreign trips and so on. This includes ourselves. We are paid too much and we must take a cut as well. I am glad the Ceann Comhairle mentioned this morning that the Houses of the Oireachtas Commission had made savings. However, what kind of a commission is it - what kind of a system is it - if the Independent grouping of 19 Members has no representation on it? We voted the Estimate through this morning-----

Deputy Bernard J. Durkan: The Deputies over there are getting paid twice our salary.

Deputy Mattie McGrath: That is a myth.

An Leas-Cheann Comhairle: Deputy Durkan is next to speak. He will get a chance to speak then.

Deputy Mattie McGrath: I am getting the exact same payment as every other Deputy in

25 October 2012

the House. Perhaps Deputies who have been in the House for longer are getting increments. I do not know.

Deputy Bernard J. Durkan: No, they are not.

Deputy Mattie McGrath: Excuse me, I have the floor.

Deputy Bernard J. Durkan: Deputy Mattie McGrath is talking rubbish.

Deputy Mattie McGrath: I wish to address the leader's allowance for which I get €42,000 a year. Deputy Durkan and his colleagues on that side of the House and this side are getting approximately €115,000 a year. I wish to put the myth to bed.

Deputy Bernard J. Durkan: It is absolutely untrue. Deputy Mattie McGrath knows it is untrue.

Deputy Mattie McGrath: Deputy Durkan might not be getting it but his party coffers are getting it to pay the handlers. It is true. It is a fact.

An Leas-Cheann Comhairle: Please.

Deputy Bernard J. Durkan: Deputy Mattie McGrath knows it is untrue.

Deputy Mattie McGrath: I repeat that it is a fact.

Deputy Bernard J. Durkan: Deputy Mattie McGrath knows it is untrue.

An Leas-Cheann Comhairle: Please, Deputy Durkan.

Deputy Bernard J. Durkan: Deputy Mattie McGrath is getting the money into his pocket.

An Leas-Cheann Comhairle: Please, Deputy Durkan.

Deputy Mattie McGrath: Yes, I admit the truth of what I get, approximately €41,000 in the leader's allowance. Deputy Durkan is getting it into his party coffers.

Deputy Bernard J. Durkan: No.

Deputy Mattie McGrath: Excuse me, it is a fact. I want to put on record the fact that Deputy Durkan's party is getting €115,000 or €118,000 for his time as a leader's allowance which is being used to pay handlers, people who write speeches for the Taoiseach in Béal na Bláth. Those people were never in Béal na Bláth. The party is paying for spin.

Deputy Bernard J. Durkan: The allowances are all accounted for, unlike what Deputy Mattie McGrath does with it.

An Leas-Cheann Comhairle: Please, Deputy Durkan.

Deputy Bernard J. Durkan: I am sorry, a Leas-Cheann Comhairle. There is only so much nonsense I can put up with.

Deputy Mattie McGrath: I am used to Deputy Durkan's bluster. The money goes to pay for the Taoiseach to go over to get pats on the head from Angela Merkel and it pays for the spin when he comes back.

Deputy Bernard J. Durkan: When Deputy Mattie McGrath was on this side of the House he got a pat on the head as well.

An Leas-Cheann Comhairle: Please, Deputy Durkan.

Deputy Mattie McGrath: I could do without interruptions from the other side of the House. I have the floor.

An Leas-Cheann Comhairle: Deputy Durkan is next to speak.

Deputy Mattie McGrath: I wish to raise one other issue. I referred to the lack of transparency and interaction with elected representatives. The holding of a landowner is land-locked across the railway line in Kilross, County Tipperary. I made representations to Iarnród Éireann which has made a CPO to take the man's land off him - a total of 18 acres. Three alternatives could be used involving land swaps and other such arrangements but the company is not interested. I have been told by senior officials in Iarnród Éireann that they do not wish to talk to me, that they do not want another meeting. Imagine that. How dare they? I am a public representative trying to represent the people of Tipperary to the best of my ability. The likes of a CPO did not happen when Cromwell was there or the landlords. We had to put up with that but we have a democracy now. Unelected officials must start to listen because they are dragging the system into the mire. The CPO is a powerful weapon given the expenses, costs and legal costs involved in objecting to it. I accept that it is required in certain cases but it should not be used in the instance to which I referred.

An Leas-Cheann Comhairle: Thank you Deputy.

Deputy Mattie McGrath: Am I finished?

An Leas-Cheann Comhairle: The Deputy's time is up.

Deputy Mattie McGrath: Before I conclude I wish to repeat that what I said is fact. I get €41,000 of a leader's allowance, while Deputy Durkan and all his colleagues are getting €115,000 to €120,000.

Deputy Bernard J. Durkan: That is untrue.

Deputy Mattie McGrath: It is a fact. I say it on the record.

Deputy Bernard J. Durkan: It is untrue and Deputy Mattie McGrath knows it.

An Leas-Cheann Comhairle: Deputy Durkan.

Deputy Mattie McGrath: It is a fact. Deputy Durkan can challenge me anywhere. He can check the facts. He can come to the Chamber, bluster all he likes and attack the Independents. We are elected in the same way as he is and we are entitled to our representation.

Deputy Bernard J. Durkan: It will be shown that Deputy Mattie McGrath gets an extra €40,000 into his hand, tax-free.

Deputy Mattie McGrath: Expenses should be examined separately and reduced. It is a fact. It is on the record of the House. The Ceann Comhairle said this morning that he will publish the information on the website where it will be visible to all. Deputy Durkan can bluster then and see who is telling lies. It is a fact.

25 October 2012

Deputy Bernard J. Durkan: It will be shown that Deputy Mattie McGrath gets an extra €42,000 into his hand tax-free.

Deputy Mattie McGrath: Deputy Durkan is getting three times as much.

An Leas-Cheann Comhairle: I call Deputy Durkan. He will have an opportunity to address the issues, which is preferable to interrupting Deputy Mattie McGrath.

Deputy Mattie McGrath: Yes. I do not do that. I put the facts to the House.

Deputy Bernard J. Durkan: Whether the Member opposite interrupts or not, the fact of the matter is-----

Deputy Mattie McGrath: I will not interrupt.

Deputy Bernard J. Durkan: -----that unlike members of political parties, the Member who has just spoken gets a €41,000 bonus into his hand tax-free every year and every other Independent Member likewise. That is the end of that story. That can go on the website as well.

I wish to address an issue that is of some concern to many people in this country at present - it has been raised by Members of the Opposition also - who claim that we have a serious problem and that the Government is not doing enough about it. The Government took over 18 months ago when the situation was totally unpalatable. The level of debt imposed on the Government and the people of this country as a result of what happened previously was unlike anything ever known before. The Government has had 18 months of continuous frantic working, actively pursuing every possible avenue to try to ensure that something is done to alleviate the burden and lengthen the period over which the debts can be repaid, in short, to keep the country afloat. No regard has been had for that from the other side of the House. It is utter hypocrisy for people on that side of the House to jump up and down in the manner witnessed this morning about denial on the part of the Government. I remember when some of the people on that side of the House thought that “denial” was a river in Egypt. That is not so long ago either. We have a serious situation in the country. The Government is doing everything possible to address the issues and it is working very hard at it. At every opportunity we get nothing but cynicism and negativity. Every morning we listen to some expert popping up from that side of the House who has an answer for everything and who knows how to resolve every issue that arises but knows the cost of nothing.

The word “austerity” has been tossed around as if it were a wrecking ball, as if it was something the Government had introduced to punish people. Austerity is the wrong word to describe what we face. What we face currently is tight housekeeping that was forced upon us by the recklessness of those who were there before us. The Government has had to take punitive measures, which affect people. People worry and are suffering and under stress. There is no sense in those on the opposite side of the House coming forward and saying again and again that there should be no more of that; that we must have stimulus and more spending. At least the Member opposite who has just spoken is consistent. When he was sitting on this side of the House he did not want any savings ever. He wanted more spending all the time. He still wants more spending, as long as it is spent in a direction that suits him.

We must be honest with people and explain to them from day to day that we are achieving some results of a positive nature that are of benefit to the economy and the taxpayers of this country. It is also true that we have established some degree of respect internationally. The

Government has put in place measures and has pursued vigorously the need to ensure that some degree of respect and confidence is restored in this country's ability to rescue itself from its current position. From all the information available to us it is clear the Government is succeeding in spite of all the obstacles. That is a good thing. It is positive. Deputy Shane Ross on one or two occasions has acknowledged that, and to be fair to Deputy Gerry Adams, he has acknowledged it on a couple of occasions as well. That said, the majority of the response from that side of the House is that we should spend more.

Let us compare the country to the running of a business or a household. What happens when a household has overspent and is unable to service its debt? Cutbacks must take place. Of course there is hardship and people are worried, hurt and aggrieved, but that is the way it is. That is the way things happen at all times. We must have a target and programme. We are in a programme. Despite all the negativity we are still surviving within the programme. We have defied the laws of economic gravity and achieved a much better position than was anticipated. I respond to those who say we do not have growth that it was never anticipated that we would. Where in God's name have they been? Only fools thought a few years ago that we would have growth of any significance by now. It is a miracle that we have any growth at all. It is a major achievement that we have managed to come so far and still maintain the rudiments of a structure on the economy. That was a great result from the Government's point of view. I accept it is not easy. Much work still has to be done. The Government will stick with it. It will not get much recognition for what it is doing.

Some people on that side of the House are working on one premise, namely, that the public have a short memory. They should know because they have tested it on many occasions in the past. The presumption is that the public will have forgotten and that at some time in the not-too-distant future they will suddenly greet with open arms those who plunged them into the mess. If the public so decides, so be it, but there are consequences as well, in the same way there are consequences for backing away from people's responsibilities when those responsibilities arise. The responsibilities that are being thrust on the Irish people are huge, to say the least, but they are not the fault of the people. Some people within the system did not do what they should have done. Some people in particular institutions did not observe the rules as they were put to them and as a result the people and the economy were put in jeopardy. The magnitude of the task before us has not gone away - but neither has the Government. It intends to pursue the task vigorously to ensure that at the end of the programme this country will have achieved the kind of status it set for itself in the beginning.

I have another related comment. There has been much speculation about whether the previous Government made a mistake or did the right thing in taking responsibility for private debt, unsecured debt and unsecured bondholders. That must be weighed against the consequences of what would have happened had the reverse taken place. That would have been serious. I have spoken about this issue before in the House. With the passage of time a certain simplistic notion seems to have emerged to the effect that if we had wretched on all our debts we would be better off now. I am not so sure about that. The impact on this country's economy would have been massive; virtually everything would have come to a halt. If we had been in a position where we did not have to borrow on a monthly and weekly basis for current budgetary purposes it would have been different. We were not, however, and still are not and we must borrow for a certain length of time.

How much time have I left?

An Leas-Cheann Comhairle: Two minutes.

Deputy Bernard J. Durkan: It does not take long in passing. Austerity is not a policy but something that was brought upon this country and its people because of unfortunate neglect on the part of others in the past. It is not something in which this Government takes any pleasure; nor does anybody in this House take pleasure in it. However, it exists and we must work at it and come through it. We will come through it, with increased credibility. The year approaching is when this country will assume the Presidency of the European institutions. This is a great opportunity for this country and its leaders to set new benchmarks and new standards in order to be able to achieve the goals they have set for themselves. Reflected in that will be a dramatic further improvement in confidence in the institutions of this State and, as a consequence, confidence in the euro and the eurozone in general.

Deputy Timmy Dooley: I welcome the opportunity to contribute to this debate. In recent years we have had regular debates in the House about the economy but unfortunately we may not have been as frank as we should have been. If one looks to the projections made by the Government and various different support agencies in recent months it is clear we are not reaching the targets that were set. As to past predictions, the Minister for Finance stated he expected the economy would take off like a rocket. Nobody today would say that is the case. At best, the economy could be described as bouncing along the bottom, as others have indicated.

We can look at the economy in terms of the statistics that are provided on a daily basis but people often get immersed and buried in those. In my view, the first thing we must look at is the lack of employment, the size and scale of the numbers of people who are out of work - the figure is heading for 15%. Until we are serious about tackling that we will not have a sufficient level of economic activity to bring about the recovery that is required.

The Minister for Finance and the Minister of State, Deputy Perry, have great interest and knowledge of small business. The Government has had made three or four announcements on job creation. Last year there was much talk of a jobs budget. By the time it came around, however, it was a jobs initiative and, eventually, a jobs statement. The Government introduced some measures that were helpful, for example, the reduction of VAT for the tourism sector. Now, however, it talks of increasing costs for business. Last night there was a debate in this House in which speakers reacted to the spin that comes from the Department of Social Protection. The intention of the Minister, Deputy Burton, is to seek to make employers pay for the sick leave of their workers. The standard mantra of Governments in the past ten years is "You don't tax work", because it is a disincentive for people to take up employment. The same applies if the cost of providing a job is increased. That is a disincentive to the employer and to those who would create or retain work. Some of the communications we have had from employers in recent weeks would certainly support that case. Until the Government focuses on real measures that assist business, first, to retain jobs and, second, to create them, much of this commentary is foolhardy.

The Minister of State is well aware of the issue of rates, and the size and scale of how they are computed. That was fine when we had a strong economy. Sadly, businesses that are based on floor area, such as furniture outlets or any other kind that requires a large display area, are being absolutely hammered in terms of the rates they must pay, even though they may not have much turnover in the current climate. It is incumbent on Government to find a solution to the redistribution of the rate base in a manner that recognises the true turnover, the profitability or otherwise of the enterprise, rather than operating by the crude methodology that existed and

worked in the past. It is no longer fit for the level of activity in the economy and until we deal with that issue, we have a long way to go towards economic recovery.

The Government heads to Europe on a regular basis and tells its counterparts how well it is doing, while at home things are going the other way. The domestic economy continues to contract and retail sales are in a really bad state as a consequence of the way in which the Government levies charges and taxes. I do not suggest there is an easy way out of this but if the Government focused on job protection and job creation and took those as its starting point there would be a chance to understand the real scale of the problem and find the solution. Unless and until that happens, we have some real problems. Unemployment will remain high according to projections such as the latest ESRI figures which show it remaining at approximately 14.8% this year. However, according to the Government's growth and stability programme, the figure is 13.6%. In any case, it continues to ratchet up.

One in eight people currently in receipt of unemployment benefit is better off staying on welfare than moving to paid employment. These are the kinds of issue the Government should be finding solutions for rather than taking the macro-approach all the time, hoping those issues will resolve themselves. In a booming economy they do, but now is the time for micro-management of issues that can assist.

There is another issue the House discusses almost on a daily basis, namely, the lack of availability of credit. To be fair, at long last Bank of Ireland and AIB are beginning to show some level of support. It is not enough but they are starting by putting in place the kind of systems that will at least empower them to make decisions on lending to people who have come through a difficult period. In recent years, if people had a difficulty in regard to their accounts or credit rating they were just pushed away and left to wither on the vine. From the interactions I have had with constituents in recent months there seems to be a softening, a realisation that the only way we will achieve economic recovery is to assist those people who had worked hard but because of the way in which the economy faltered in recent years had found themselves in very difficult financial positions. Although the banks would not have wanted to deal with these people in the past they now realise this is the only way they will recover business and get matters back on track.

I appeal to the Minister of State, with his business experience and acumen and his understanding of the sector, to focus almost exclusively over the coming period on ensuring that small to medium enterprises, the bedrock of our economy, are given a break. The Labour Party took a very disingenuous position in the run-up to the last election and promised, to the retail sector in particular, it would change the upward-only rent provision in legacy leases.

12 o'clock

At the time, I thought this was cynical and all the legal advice suggested that it could not be done. Again, however, it was a case of trying to win the election. In that context, hard-pressed people and businesses were taken by the nose and led to the cliff edge. As soon as the Labour Party entered government, it left those to whom I refer to their own devices. As the Minister of State is aware, many of them have since fallen off the cliff. The position taken by the Labour Party in this regard was outrageously cynical.

I recall the Public Gallery being full on one evening when the Labour Party introduced a Private Members' motion in which it excoriated the previous Government for accepting the

legal advice of the then Attorney General. Labour Deputies waved the reams of legal advice they had obtained about the place and stated that there was nothing to preclude the abolition of upward-only rent clauses in existing leases. Labour has been in government for almost two years now. When he introduced his first budget last December, the Minister for Finance quietly stated that the Government would not be in a position to proceed with what had previously been proposed in this regard. That left Labour off the hook. Many small businesses are suffering as a result of what happened in this instance. Those businesses took a gamble on the basis that when the Labour Party entered government, this matter would be resolved. Sadly, that has not proven to be the case. What Labour did was particularly cynical. I have yet to hear any member of the Labour Party apologise for-----

Deputy John Perry: Many people's rents have decreased.

Deputy Timmy Dooley: I accept that. I also accept that landlords have been far more understanding. After all, many of them have had no other alternative. However, as a result of their location, etc., some businesses have gone to the wall because their landlords saw better opportunities and, in some instances, effectively forced them into bankruptcy. That is particularly sad.

An Leas-Cheann Comhairle: The next speaker is Deputy Fitzpatrick, who is sharing time with Deputy Griffin.

Deputy Peter Fitzpatrick: I welcome the opportunity to discuss the Government's economic policy. As Deputies will be aware, economics is defined as a social science which analyses the production, distribution and consumption of goods and services. In the context of Ireland and the benefits that are accruing as a result of the Government's policy, it is easy to identify numerous national successes. Each night, as I cross the Boyne cable bridge in my constituency of Louth-East Meath, I see the benefits that have accrued.

In 2011 Ireland returned to economic growth. Real GDP increased by 1.4%, the first annual increase for some time. In the first six months of 2012, it increased by 0.5%. This compares favourably with the Department of Finance's forecast of 0.7% GDP growth for the entire year. Between 2007 and 2010, GDP decreased by 17.1%. In the context of employment, the Government inherited a jobs market that was in free fall. More than 250,000 private sector jobs were lost from March 2008 to March 2011. The numbers on the live register peaked at 448,000 in August 2011. The number of jobs in the private sector has increased by 16,900, or 1.5%, since the first quarter of 2011. While total employment fell by 13,700 in the second quarter of 2012, the vast majority of these job losses were due to the public sector reform programme. There was a net increase of 6,000 jobs in IDA Ireland companies in 2011. This pattern has continued in 2012, with 5,000 new jobs announced in the first six months of the year. Major announcements since March 2011 include: the creation of 1,000 jobs by PayPal in the town in which I reside, Dundalk; the creation of 800 jobs by Sky, the creation of 500 by Mylan; and the creation of a further 500 by Apple.

One area in which I am particularly interested is that which relates to mortgages. The pace of mortgage arrears slowed in the first quarter 2012, following a rapid rise during 2011. The Government's strategy has four aspects, namely: the rolling out of resolution strategies by the banks; new personal insolvency legislation to incentivise banks to reach an agreed solution with borrowers; the offering of comprehensive advice, including via a new website and an independent financial advisory service; and a mortgage-to-rent scheme to keep families in their homes.

Another area of economic policy on which I am particularly focused is that of jobs and job creation. My constituency has been fortunate enough to have welcomed some large international companies since this Government entered office. The Government halved the 8.5% lower rate of employers' PRSI on weekly wages of up to €356, thus aiding employment in low skilled sectors. The OECD has welcomed this scheme and advised the government to extend the PRSI reduction past the end of 2013. The Government also introduced a reduced rate VAT of 9% in respect of tourism-related activities. Overseas visits in 2011, at 6.62 million, were up 7.9% on 2010. Under the Action Plan for Jobs 2012, more than 270 measures will be implemented by 15 Government Departments and 36 agencies to make it easier for businesses to commence operations, expand, export and create jobs. Employment in accommodation and food service activities is up by 10,600 since March 2011.

While great successes, these are only the beginning. The Government acknowledges this fact. In that context, we are determined to continue and not rest on our laurels. We are also determined to continue this good work and create a meaningful and lasting economic future for this country.

Deputy Brendan Griffin: Táim fíor-bhuíoch as ucht an seans labhartha ar an ábhar an-tábhachtach seo.

When the Government came to power in March 2011, it inherited an absolutely unprecedented mess. Efforts have been made to try to improve our overall economic position in the interim. However, this is proving very difficult. We should not forget how we got here and the responsibility which lies with the political system in this regard. For the sake of future generations, it is important that we should learn this lesson. We must continually remind ourselves of all the events which led us to the current pass. There must never be a recurrence of what happened in this country in recent years. We must take measures to ensure that there will be no such recurrence. Significant reform will, therefore, be required in the context of how this House - particularly with regard to how Members are elected - and the entire political system operate. I accept this may be a discussion for another day but I am of the view that it is important to outline the position.

One of my greatest concerns at present relates to the fact that almost 450,000 people are on the live register and that a huge number of individuals, mainly the young, are being forced to emigrate each day. This is completely unacceptable and, as a proud Irishman, it makes me very sad. The impact of what has happened in this country really hits home when I go on Facebook or Twitter and see so many of my friends, and people with whom I grew up, living in Australia, America or the UK. One of the fundamental concerns for Ireland, as a nation, must be to provide work for its people in order that they might remain in this country and build their lives here. That challenge must be taken up not only by the Government but also by every Member of this and the Upper House. We need to put our shoulders to the wheel in respect of this matter because what is happening at present is heartbreaking and it must not be allowed to continue.

In the context of trying to grow the economy and create jobs, I am concerned that domestic demand will remain weak as long as there are a number of negative adjustment budgets in our future. This is a major problem and the Government must give serious consideration to introducing measures that will accelerate the corrective process relating to our finances. At the same time, it must be extremely careful not to implement any measures that would be deflationary or that would push us over the tipping point. As long as we are facing into three, four or five years of adjustments, demand and confidence will remain poor and, as a previous speaker indicated,

we will continue to roll along the bottom. This is no way to try to grow an economy. We must, therefore, contemplate some of the low-hanging fruit that is still there to be plucked and be imaginative in the context of the budgetary process.

I had occasion recently to consider some statistics in the context of areas in which additional revenue could be generated through the adoption of certain taxation measures. I refer, for example, to the €525 million that is currently being paid - through the universal social charge - by those who earn over €200,000 per year. There may be more leeway to collect additional revenue for the State. For example, I do not know of anyone earning more than €200,000 who is cold or hungry at night, who cannot afford oil for this or her home heating tank or who cannot afford to feed his or her children. Such individuals should be considered. More than €900 million is generated from those earning over €100,000. However, those earning €200,000 - equal to €4,000 a week gross, a very significant income - generate €525 million in taxes and perhaps there might be scope to get more from this group.

The issue of corporation tax was raised by speakers. The rate of corporation tax cannot be touched because it would be a negative move given the potential to attract foreign direct investment. There may be some leeway with regard to the very generous allowances currently paid in that sector such as capital allowances which cost the State €1.55 billion last year.

All of these measures need to be examined. Every euro we can collect by means of fair and just taxation measures is one that will not need to be taken from the allocation to fund somebody's home help or personal assistant's hours or to provide services for a person with a disability. Such cuts are unacceptable. Therefore, we need to look at alternatives. Talk of alternative taxation measures is not popular but we have to do this because of the mess in which we find ourselves. The quicker we can achieve fiscal rectitude, the quicker we can grow the economy, create jobs and bring our young people home to their native country from all over the world.

I wish the Minister for Finance and his team well in the preparation of the budget. It is not easy to cover all aspects in five minutes. A significant challenge faces us and we must all contribute in a positive and constructive manner. This is not the time for negative politics or scoring political points. It is a national emergency and we all need to step up to the mark.

Deputy Caoimhghín Ó Caoláin: The Fine Gael-Labour Party Government is wedded to its futile economic strategy of austerity. This strategy, inherited from Fianna Fáil and the Green Party, is being pursued with gusto. It is not working, yet the Government persists with it. It has not learned the lesson that if one tries something and repeats it year on year and it fails again, one must try something else. Austerity is undermining public services in a manner not seen since the 1980s. Nowhere is this more acutely in evidence than in public health services. We have had successive years of spending cuts, culminating in €1 billion being taken out in 2011 and €750 million in the current year. The spending over-run in the health budget this year was entirely predictable because the amount of money cut from the health budget for 2011 and 2012 was completely unsustainable. We are seeing the outworking of this cut in shrinking services and ever greater hardship for those who use the health service. Every Member is aware of this fact. Last week, regrettably, Members belonging to both Fine Gael and the Labour Party voted down a Sinn Féin Private Members' motion that had sought the reversal of the disgraceful cuts to home help hours and home care packages. The Minister for Health, Deputy James Reilly, has presided over cuts of almost 1 million home help hours since he took office. By their vote last week Government Deputies fully endorsed these cuts. There is no other conclusion to be drawn. They may claim sympathy with the vulnerable individuals who are losing home help

hours or being denied home care packages, but they are shedding crocodile tears. They have signed up to a vicious regime of cuts.

The vulnerable and the elderly are being attacked on two fronts. The cuts in home help hours and home care packages are hitting people living in their own homes. There are now drastic cuts to the numbers of public nursing home beds also. The facts are much worse than even I had assumed in the past 12 months. I have received a reply from the HSE to a parliamentary question stating that from January 2011 to August 2012, a total of 1,201 public nursing home beds have been closed. These include both long-term and short-stay beds, meaning that provision for both long-term care and respite care is affected. Service cuts mean that many older people will have no choice but to seek residential care which, increasingly, will be private care because, side by side with its cuts regime, the Government, like its Fianna Fáil predecessors, is a champion of privatisation. That is some record for the Minister for Health and the Government - nearly 1 million home help hours cut and over 1,200 public nursing home beds closed in the period since the general election of 2011. We have now reached a position where vital services are collapsing or are on the brink of collapse.

Last night I met representatives of two providers of care services for people with disabilities. Sunbeam, based in County Wicklow, provides both residential and day care services for 350 people. In 2012 alone, its funding from the HSE has been cut by €798,000. KARE, based in Kildare, provides services for people with intellectual disabilities. In 2012 its funding has been cut by €840,000. These cuts are on top of the cuts made every year since the collapse of the economy. The cuts of recent years have amounted to 15%. In 2012 the rate is 3.7% alone. How do the cuts affect persons seeking these supports or services? Their most immediate effect is that new service users cannot be taken on and the waiting list is growing. I learned last night of a couple in their 70s who have been waiting many years for a place in care for their disabled son who is in his 50s. Because of the cuts they may never find a place for him. This disabled man is being denied a chance to lead a more fulfilled life and his parents are being denied a sharing of the care burden in their 70s, after a lifetime of caring for him. Now, in their twilight years, they face awful uncertainty and anxiety about what will become of him when their day is done. I have no doubt that this case is replicated in every county. That harrowing and stressful situation and fear of parents as they age about their special needs son or daughter must be a terrible drain on them.

As well as preventing the taking on of new service users, the cuts have hit respite care provision, as well as early intervention, transport and day services. All of the efficiencies demanded by the HSE have been achieved by these service providers, while staffing numbers, pay and non-pay costs have been cut to the bone. Those involved in this sector which include service users, families and service providers are literally living in dread of what faces them in budget 2013. The collapse of services has already begun and further cuts to funding for disability services will accelerate the process. I use the opportunity to appeal that no further cuts be directed at services for older people or people with disabilities. What has happened already is shameful and there can be no consideration or countenancing of further cuts in budget 2013. I appeal to Members opposite to use their special access to support the voices from the Opposition benches.

The Government, in particular the Minister for Health, constantly repeats the mantra that it wants people to be able to stay in their homes or be housed in community care settings rather than in outmoded and inappropriate congregated settings - another word for institutions. In the past people with intellectual disabilities were placed in institutions such as St. Ita's Hospital in Portrane. The sad news is that we are returning to those days. The service providers report that

because of the cuts, community houses are becoming unsustainable in some cases. That is what austerity means in practice. A further cut to funding for disability services in 2013 will most definitely be a cut too far and must be resisted by all voices in the Chamber.

A cornerstone of the Government's programme is supposedly fundamental reform of the health service. The programme for Government promised a White Paper on financing universal health insurance "early in the Government's first term". A Department of Health briefing for this morning's meeting of the Joint Committee on Health and Children, which I attended, states the White Paper will be published "as early as possible within the Government's term of office". Where stands this reform?

We have decreasing numbers of people with health insurance, rising premiums for those who have insurance, more pressure on the public health system from those exiting private health insurance and the persistence of a two-tier public-private system in which the struggling public system subsidises the private health sector. As I have repeatedly stated, Sinn Féin favours universal health care based on equal access for all. We want such a system to be provided by the State, funded from fair general taxation and free at the point of delivery. This would have to involve a higher contribution in tax from the highest earners than they currently contribute.

While we do not favour the model of insurance-based funding, if health insurance is to be the basis for funding, it should be a State insurance scheme. The least desirable model is an insurance system based on competing private health insurance companies. In such a scenario, the profit motive and interests of shareholders rather than the provision of a quality public health service for all citizens become the paramount consideration. The Government is pursuing the privatised insurance or Fine Gael model. The Labour Party, which had a different view from the Fine Gael Party on this matter, seems to have lost the argument in the negotiations on the programme for Government, assuming it raised the issue during that engagement. Taking the insurance route is a mistake. It offers the increasingly remote prospect of reform while the deeply flawed current two-tier system deteriorates, especially as a result of the austerity policy and health cuts of the Government.

Today the troika returns, and I have no doubt the Government will receive another pat on the head for its punishment of the people who elected it. However, there is another troika, one which does not come to Ireland on visits, namely, the combination of Fine Gael, the Labour Party and Fianna Fáil. Despite the bluster from Fianna Fáil Deputies, their party shares the same economic approach as the coalition. It is committed to austerity with all its fatal consequences for the economy and society. Its hallmark is hypocrisy, which it displays at every turn.

I was not the only republican who was deeply touched by the Fianna Fáil Party leader's new-found interest in social and economic affairs in the Six Counties, which he reflected on in Bodenstown last Sunday. No one was fooled, however, because his words were nothing more than a thin disguise for taking a swipe at Sinn Féin on the basis of opinion polls. There is no doubt the Fianna Fáil Party is increasingly attempting to insinuate itself back into communities. It still has cheerleaders in the media and, together with them, it is trying to foster collective amnesia in the hope that many will forget its appalling record in destroying the economy and exercising a deeply corrupting influence on politics. No one should forget any of this.

Deputy Willie Penrose: I am pleased to have an opportunity to contribute to this debate. The House is discussing the economic position almost two years after we were compelled to enter the troika bailout and four years after the collapse of our banking system. If we are to

learn how to prevent a recurrence of this disaster, we should reflect carefully on the factors that brought it about. Reckless lending by Irish banks was made possible by participation in the euro, a project whose flaws have threatened its survival. If the euro was to work, the European Central Bank required full powers of monetary policy. However, it was not given such powers and instead became an emasculated version of the Bundesbank, with the sole aim of controlling inflation. While the ECB was given the power to set the interest rate for the eurozone, it could not control credit creation by national banks or regulate such banks.

When Ireland entered the euro, interest rates fell and Irish banks could borrow unlimited amounts of money from large German and French banks without any exchange rate risk. Having borrowed this money, they lent most of it to property developers, who created the worst property bubble in post-war Europe. At the height of the property boom, building and construction constituted 15% of Ireland's gross domestic product, compared to a European Union average of 5%. The problem was compounded by the inability of the Central Bank to raise interest rates to dampen the frenzy. The boom inevitably collapsed, leaving a legacy of mass unemployment, ghost estates, the National Asset Management Agency, the Irish Bank Resolution Corporation and the ghoulish spectre of Anglo Irish Bank.

While I do not wish to focus excessively on the past, it is important to understand the reasons for the economic collapse. In September 2008, the then Government was compelled by the European Central Bank to offer a blanket guarantee to bondholders who had irresponsibly lent money to Irish banks. Having also paid more than €1 million to Merrill Lynch for advice, it succumbed to pressure from the ECB and established the bank guarantee, for which Irish people will be paying for the next 50 years. During the same period, Iceland experienced a banking crisis which, relative to the size of its economy, was worse than the Irish banking crisis. While the Government of Iceland guaranteed deposits in the country's banks, it did not provide guarantees to bondholders who suffered losses on their gamble. Despite the dire warnings of the "free musketeers", the sky did not fall in. The country suffered a severe recession but recovered quickly and its economy is growing at a much faster rate than the Irish economy is likely to grow in the next five years. As Iceland is not a member of the European Union, it could not be bullied into implementing a policy that would impoverish people who never gained from the speculation of reckless investors and bankers.

As a result of the Irish bank guarantee, the debt of the covered banks became sovereign and the levels of borrowing required as a result of the guarantee caused interest rates on sovereign debt to rise to levels we could not pay. In November 2010, the Irish Government and citizens had the humiliating experience of hearing the Governor of the Central Bank announce on RTE that Ireland would require a bailout. I recall the event well as I was travelling to County Donegal to take part in a by-election campaign. Ministers had previously denied that a bailout was required and it was significant that the announcement was made not by the Government but the Governor of the Central Bank, acting on instructions from the European Central Bank.

In the snows of the winter of 2010 the troika arrived at Government Buildings to instruct us on how to run our affairs in the interests of German and French bondholders whose loans we had guaranteed. The then Government, in a grim parody of the US educational programme No Child Left Behind, meekly accepted a policy of "no bondholder left behind". The most powerful element of the troika is the International Monetary Fund, whose policies have been compared to bloodletting, the main treatment offered by doctors in the 18th century, when patients who did not die of the disease were likely to die of the treatment. The troika insists on cutting Government expenditure and raising taxes, both policies that make recessions worse. I

25 October 2012

observed this approach at close hand when I was a member of the Government for nine months. The IMF is hostile to State enterprise and has insisted on the privatisation of profitable State companies. The Government had to wage a battle to ensure the troika agreed to allow the proceeds of the sale of State assets to be used for job creation. It is vital that moneys generated from such sales are used for this purpose.

Ireland has one of the highest rates of unemployment in the European Union and it would be higher if it were not for emigration. I am particularly concerned about youth unemployment as it has damaging long-term consequences. For this reason, I am pleased the Minister for Social Protection, Deputy Joan Burton, has promised to seek EU initiatives on youth unemployment during Ireland's Presidency next year.

It is said that doing the same thing over and over and expecting different results is one definition of madness, yet more belt-tightening, adjustment and retrenchment is the only policy the troika will countenance in dealing with the crisis. I know, having sat at the table with its representatives, that the troika wishes to lower the pay of public servants and reduce social welfare payments. It is as if John Maynard Keynes had not revolutionised economics by showing that output and employment are determined by demand for goods and services and consumer demand is the largest element of overall demand. Free market economists persist in regarding the market for labour as if it were the market for mobile telephones. If the price of mobile telephones falls, demand for them will increase, whereas it is self-evident that if one reduces wages, demand for labour will not increase unless people have incomes to buy goods and services. Free marketeers argue that if we cut social welfare payments, people will have an incentive to take up low-paid jobs. However, as there is already severe competition for even the lowest-paid job, this policy will simply increase poverty and reduce demand. The possibility of escaping from the chilly grasp of the troika emerged recently as interest rates on Irish Government bonds have fallen and the possibility of being able to borrow again on the open markets arises. The first thing I noticed in government was that Ireland's reputation had suffered severely and our credibility had been severely dented but this Government spent the first six or eight months I was a Member working extremely hard to regain that reputation. That work has paid off, and we must acknowledge that. Commentators outside these Houses frequently blast the Government on the pages of newspapers. It is easy to suggest solutions but people had to work extremely hard. This development has occurred because the all-powerful but ever fickle financial markets thought we were to get a deal on our bank debt.

Chancellor Merkel and her finance Minister dismissed our case initially but the Taoiseach and the Tánaiste have worked extremely hard to get us back on track. We have the conclusions of the summit of 29 June. We are now recognised as a special case with specific circumstances. François Hollande, who is not as subservient to Germany as President Sarkozy was, has accepted that economic recovery in Ireland will only occur if we can reduce the burden of our debt.

The Taoiseach was awarded the Golden Victoria European of the Year today by a German business group. I hope that when he is presented with that award he takes the opportunity to remind the Germans that after the most devastating war in history, and in the history of Europe, it was treated with great generosity by the allies and given long-term loans at low interest rates under the London Agreement, some of which have only recently been paid. It should now reciprocate that generosity by agreeing to a much more sustainable approach to Ireland's bank debt, and there are a number of ways that can be done

Domestically, people are suffering at all levels in our society. They are tied to crippling

mortgage debt and are in negative equity but that can only be resolved by the banks and lending institutions facing up squarely to the issue and acknowledging that some mortgage debt will not be discharged in our lifetime and beyond. That cannot be done in a blanket fashion but a matrix should be devised and implemented which incorporates financial parameters which recognise when people are genuinely unable to pay as opposed to those who will deliberately not pay. Banks have already been recapitalised adequately to accommodate those situations. Therefore, we cannot allow the ostrich type behaviour of financial institutions to continue to the detriment of mortgage holders who are doing their best. Write-downs must be one of the solutions to be examined in the matrix proposed because many of the people in difficulty are consumers in the wider economy, and that feeds in at a micro level to a depressed consumer demand.

We are doing well in terms of securing foreign investment, achieving record export growth and so on but the collapse in domestic consumption and the impact of that on the retail trade is clearly visible in the significant continuous closure of high street premises. More important, however, is the significant effect that is having in rural Ireland where small corner shops and grocery shops selling provisions being forced out of existence. Many of our rural villages have been devastated. The collapse in trade was precipitated by and contributed to by loss of employment, the lack of employment opportunities, and emigration.

I predict that in the next five years many villages throughout the rural heartlands will be left without a shop of any sort - grocer, butcher, petrol, general provisions - and people will be forced to travel to the next largest town which could be ten or 12 miles away. I know some of those shop owners. They are important contributors to employment, especially in rural Ireland, offering one, two or three jobs, many of them to housewives who are facilitated with a part-time job. In the past year some of them have recorded losses of €9,000, €10,000 and €12,000, and they are being cross-subsidised by people's other incomes. The shops are being run by people who are in effect providers of social services where people in rural areas can go to, be made welcome and discuss issues of concern to them. As a result of these closures devastation will be wrought across rural heartlands, which will lead to further social isolation. We must address that head-on with an array of measures to help arrest this development. We must halve the rates and not impose levies on these premises or consider subsidisation or grant in aid. Otherwise, we will be shedding crocodile tears when the harm is done.

The Taoiseach might inform his German hosts, and indeed masters, that the distinguished US economist Martin Feldman, writing when the euro was being proposed, expressed scepticism about its success but argued that that if it went ahead in the flawed version in which it was actually implemented, its collapse could lead to another war in Europe. Those warnings must be taken seriously. That is the reason we are entitled to a proper deal. We are not begging for it. We are entitled to it because the solution was imposed upon us without our having any input into it.

Deputy Joe Higgins: All the Government contributors to this debate on the Irish economy over the past two days predicated their contributions on the claim that current policies are working, that the Irish economy is turning the corner, and that we will overcome this economic crisis within a few years. That is manifestly false on even the most cursory examination of the key indicators for the Irish economy. If the economy is turning the corner, why were 14,000 fewer people employed in quarter 3 of this year than in quarter 2? Why is gross domestic product crawling ahead at a possible 0.7% this year? Why are 440,000, or 14.8%, of our people unemployed or under-employed? Why was emigration, in the year up to the end of April 2012, at a level of 87,100? One would have to go back to the 1800s to find a comparable level.

25 October 2012

The reality is that far from succeeding, the policy of austerity is causing economic disaster on a huge scale. It is destroying the domestic economy and causing huge suffering on a human level for hundreds of thousands of our people. That is inevitable because in the past five years we have seen an unimaginable transfusion of resources from the working class of this country to the bondholders, the speculators and the bankers in the financial markets of Europe and further afield. We have seen, and it is ongoing, a criminal transfer of massive wealth from ordinary people to the capitalist financiers throughout Europe and on a world basis, much greater than if we were in a war time period. However, those who are sucking up those resources out of the pockets of the working class of this country do not need an army of occupation. The political establishment, currently Fine Gael and Labour and previously Fianna Fáil and the Green Party, is managing their affairs and is their agent in this State.

We have a media, itself part of the market system, owned by multimillionaires and billionaires, major capitalists who despite the criticisms they will make occasionally of the Government fundamentally justify and defend this massive transfer of wealth on the basis that there is no alternative except to bend the knee to the dictatorship of the financial markets and that the working class must pay, abusing those who put an alternative viewpoint, especially from a Socialist perspective.

We have broadcasters including, unfortunately and shamefully, the main public broadcaster, RTE, which never question in any fundamental way the morality of a financial dictatorship of the markets that bleed the ordinary working people, the unemployed, the pensioners and the youth of our country to save the capitalist financial system within Europe and further afield. It is a media which refused to contemplate even a partial change that would see an increased demand on the wealthy elite in this country or on major corporations. It refuses to contemplate even a modest rise in corporation tax and the amount of tax big business pays. Last year in an amendment to a Private Members' motion, I pointed out that based on 2008 figures for corporation tax, for every 1% increase there would be an extra €500 million going into public funds. This year the equivalent would be approximately €390 million per year. We could have substantial extra resources by further taxes on big business and on wealth if there were a Government that would even contemplate or enact such an increase. That is prohibited, however, because the agenda of this Government and of the media is to protect the position and profits of big business even as our people suffer. We would not even have to go as far as the Danish economy or others which have 25% and 30% levels of corporation tax to achieve substantial increases.

In the face of this crisis and unprecedented attack on the living standards and livelihoods of working class people, we have a trade union leadership which, unfortunately, for all practical purposes has gone into hiding, resolutely refusing to lead any kind of struggle for a change of policy in the interests of working people. We need fundamental alternatives. We need to attack the austerity agenda and end it. We need massive investment, particularly in public infrastructure. If the taxes I outlined on wealth and corporations were levied, there would be substantial extra resources for significant national programmes of public works and investment such as, for example, the replacement of leaking water mains.

Instead, we have massive cuts in public capital expenditure. All the evidence from the financial press points out that all across Europe big business and capitalist enterprises are sitting on unprecedented amounts of uninvested profits. The ratio of investment to gross domestic product, GDP, in Europe is at a 60-year low. Capital refuses to invest because profits are not sufficiently high while 25 million people are unemployed across the European Union. We need

a massive struggle by the organised working class and labour movement to change this. We need massive emergency taxation on these trillions of uninvested profits to channel them into major public infrastructural and job creation enterprises. We must realise capitalism is now a sick system and getting increasingly sicker, incapable of meeting even the basic needs of our society and people. A socialist transformation of society is now needed that would take the major wealth from the hands of a tiny elite and corporate sector and invest it for the common welfare and benefit of society. Instead of the major banks and financial market institutions such as Goldman Sachs being a law on to themselves and sucking up resources of society for private corporate gain, they must be taken into public ownership and democratic control. Only on that basis can we remake the broken economies of Ireland and Europe which have been destroyed by greed, gambling as well as the rash of privatisations and deregulation over the past 20 years. This is the only solution to this crisis and the only future for the ordinary people of Europe and this country.

An Leas-Cheann Comhairle: I call Deputy Seán Conlan who is sharing time with Deputy Brian Walsh.

Deputy Seán Conlan: In undertaking the journey towards recovery, the Government had to evaluate the state of the nation, identify where we needed to get to and establish how we were going to achieve that end. The start point was bleak but the consequences of not undertaking the task of delivering the people from the precipice were bleaker still. The economy was in free fall, the banks insolvent, unemployment spiralling, a massive exodus occurring of capital and our young people from the country, industrial output falling, a run on the banks and our international reputation in tatters. That was just over 20 months ago.

This Government has offered leadership and hope while setting about the task of completely overhauling a dysfunctional economy, turning it around and getting it on a path to growth and recovery. International confidence is essential to our economy. The steps taken in meeting and, in some cases, exceeding the set targets of the EU-IMF programme have essentially succeeded in achieving a restoration of an international belief that Ireland can be trusted, is a responsible and safe economy with which and in which to do business. This has been recognised in international circles and has resulted in the National Treasury Management Agency, NTMA, conducting a phased re-entry into the markets and achieving a bond yield below 5%, which was beyond anything anticipated 12 months ago. We have also achieved a turnaround with GDP growth of 1.4%, a deficit reduction to 9% and growth in our exports with them for the first time in history exceeding €9 billion in the month of August. These are figures unmatched even at the height of the boom. The EU has now recognised our progress and our contribution as a nation to the stability of the euro by making a commitment to separate sovereign and banking debt which will make our debt burden more sustainable.

The banking sector had been a major contributor to the economic collapse suffered, so a root and branch review of its business model was conducted. When appropriate, a comprehensive recapitalisation of these previously dysfunctional institutions was effected. These institutions displayed a level of dishonesty, even in insolvency, which stunned the entire population. Many issues still need to be addressed regarding their bona fides, including their continued starving of the small and medium-sized enterprise sector - essential to our recovery plans - of vital investment capital even though full recapitalisation is completed. Enormous progress has been made in the banking sector, confidence is being restored while deposits have begun to rise, showing a 10% growth over the year. However, we are not just there yet.

All of these measures were essential to restoring the economy, securing stability to arrest the collapse and essential services. They were also essential in reaching the point where we can make real and meaningful inroads into restoring jobs and creating sustainable employment so that our people can have a fulfilling life, contributing to the future of their family and their country. This is not an easy journey. There has been, and will continue to be, pain and discomfort along the way. We are painfully aware of this and for this reason we have taken measures to ease the burden. We have removed 330,000 people from the universal social charge net, avoided raising income tax and heavily invested in job creation, making implementation a priority.

We will continue to follow this course and will remain sympathetic to the plight of those among us who are struggling to make ends meet and, in many cases, are unable to do so. The low-paid, those who have lost jobs or businesses and those depending on social welfare are a constant and ongoing concern of this Government. We must, for their sake, get the finances of this country resolved so we can offer protection to those needing it. As long as we remain weak and in the financial hands of foreign bankers we remain restricted in what we can deliver. In striking a budget for 2013, we must remain cognisant of those who are suffering and do all in our power to protect front-line services. We must protect those who care for the aged, ill and disabled in their own homes and who do this country a great service by keeping nursing home beds empty while providing those in their care with a dignity and comfort which cannot be equalled in any institution. We should also remember that the way out of this crisis is through job creation. Finance must be made available to secure the growth of sustainable employment rather than those jobs advocated by members of the Opposition which would be of an artificial nature, lasting only as long as the National Pensions Reserve Fund.

The new Ireland must be built on the foundations of sustainability and fairness. When Moses undertook the most famous and epic journey in world history to deliver his people from slavery and penury at the hands of others, he was confronted with all the sentiments and difficulties that the Government faces, including derision, complaining, nay-sayers, those who bred discontent, those who jockeyed for position and those who would rather see him fail than admit he was right. We have certainly seen all of this. We have heard remarks about having egg on the face and something not being deemed as progress from Sinn Féin and remarks about mixed messages from those who caused the mess in Fianna Fáil, among others. The Government is doing its best to clean up the mess created by others and will continue to do so. I wish the Taoiseach, the Minister for Finance and all other Ministers well. I trust they will continue with the great work they have undertaken and hope sooner rather than later that we will get out of this mess and get the country back on the path to sustainable growth.

Deputy Brian Walsh: I welcome the opportunity to contribute to this important discussion on the economy. When the Government assumed office a little more than 18 months ago, it succeeded an Administration, whose legacy, after 14 long years could be measured by the money it had squandered and the misery it had inflicted on the people. In many respects, the true extent of that wastefulness and misery is only now becoming evident. Fianna Fáil and its accomplices left in their wake a country in crisis and an international reputation in tatters. We are emerging from an era of auction politics during which successive Governments sought to inebriate the electorate with reckless policies that conferred short-term benefit on a few to the long-term detriment of the many. The country's finances were cannibalised by Administrations motivated only by a desire to retain power. They showed complete and utter disregard for fiscal rectitude and the national interest. As elections loomed, taxes were cut and spending was increased exponentially, but it was untethered to sustainable revenue or the reality that the nation was being

marshalled towards economic collapse. Working age social welfare rates more than doubled under the stewardship of the previous Government. During four short years between 2004 and 2008 social welfare expenditure increased by more than €6 billion. This was at a time of low inflation and almost full employment. Between 2000 and 2009 the average salary in the public service increased by a remarkable 59%. At the same time, the standard and higher rates of taxation were reduced as part of reckless, unsustainable policies devised solely for self-serving, short-term electoral gain. Between 2008 and 2010 more than 250,000 jobs were lost in Ireland and by the time the Government came to office unemployment stood at 14.7%. At that stage GDP had fallen by 10%, housing prices had collapsed, lines of credit had dried up for businesses and the stock markets had collapsed, taking with them the retirement prospects of many ordinary people who had worked hard to secure their futures in old age. Banks had commenced the process of evictions and communities throughout the country were once again ravaged by the return of emigration. The nation was effectively bankrupt and is now in receivership.

It was against this background that the Government, in particular the Minister for Finance, was charged with the task of steering the country towards recovery. It is an onerous task in the midst of the most challenging economic circumstances ever experienced in the history of the State. However, as Deputy Seán Conlan noted, there is cause for both concern and hope and significant progress is being made. Last year the economy returned to growth, albeit modest. We are succeeding in reducing the budget deficit and meeting all of our key macro-economic targets. The interest rate on our funding under the stability programme has been lowered, saving in excess of €10 billion. Some 300,000 lower paid, part-time and seasonal workers have been exempted from the universal social charge, which allows them to contribute more to the domestic economy. Recently, a commitment has been secured at European Union level to address the issue of Ireland's legacy bank debt burden. Most important, our international reputation has been enhanced and restored. Perhaps the most tangible reflection of this is the reduction in Government bond yields. When the Government assumed office, bond yields were in excess of 14%, but now they stand below the 5% mark. Last Friday after Chancellor Merkel's comments on Spain bond yields here fell by more than ten basis points.

Against this backdrop, we have seen the unpatriotic race to the bottom between Fianna Fáil and Sinn Féin. They have competed desperately to see which can muster the most negativity about the circumstances of the country. Unemployment, while still far too high, has stabilised and the numbers on the live register are lower than when we assumed office. In my constituency, Galway West, in particular in Galway city, more than 1,900 new jobs have been announced in the multinational sector since the start of the year. A host of additional jobs are created to service the industry that results from investments by foreign companies. Only a long road will lead us back to recovery, but there are tangible signs that we are advancing on this path. By confronting the many challenges and difficult decisions that we face we are laying the foundations for sustainable growth, on which we will build a stronger, better economy.

Deputy John Browne: I welcome the opportunity to speak in this debate. I have listened with interest to some of the contributions made from all sides of the House. I am not in the least interested in negativity. I only wish to see an improvement in quality of life for people and an opportunity for them to re-enter the workplace. The more people there are unemployed, the less chance there is of the economy getting an uplift. However, we must face reality also.

The previous Deputy criticised Fianna Fáil, but there were many road and school developments, while social welfare rates were substantially increased, rightly so. It was only right to improve quality of life for people on social welfare at a time when the finances were strong.

25 October 2012

Thousands of extra special needs assistants and primary and secondary school teachers were recruited, all of whom were important in meeting the growth in the population in the country at the time.

Several key reports and economic statistics have been delivered in the past month. Taken together, they indicate that the economy is bouncing along the bottom, a far cry from the prediction of the Minister for Finance who said it could take off like a rocket. It is welcome that the Minister is in the House and perhaps at some stage during his reply he might inform us when he expects the economy to take off like a rocket because it is in all our interests that this happens sooner rather than later.

The Government appears to be in denial about the true state of the economy and the public finances. The mantra is that we are meeting all our targets under the programme, but, in fact, we continue to miss several key targets. A confused message is being delivered to our EU partners. At times they question why we need a reduction of our bank debt if we are performing as well as we claim.

There is clear evidence that there is a two-speed economy. The domestic economy is shrinking, while exports driven by foreign direct investment have performed reasonably well during the past year. This is welcome because the more direct investment we attract, the more exports we will produce and the more jobs will be created. However, the domestic economy is suffering greatly. This is evident in every town, where domestic spending is well down. Shops are closing at an alarming rate in every small town and in many large ones because there is not the money to spend at present. I have noticed in recent months in my town of Enniscorthy that at least half a dozen shops have closed down. People tell me they are not spending and even those who do have money do not have the confidence to spend it. As a result, shops are closing and jobs are being lost. Now the Government is considering reductions in social welfare payments and introducing extra taxes and so on. Such measures will further erode the spend. There will be household, water and septic tank charges, all of which will substantially reduce the level of spending in 2013 and beyond.

1 o'clock

Since coming into office, the Government has undertaken the jobs initiative, a jobs-friendly budget and an Action Plan for Jobs. However, in the past 12 months the number working has fallen by 1.8% or 33,400 to now stand at 1.78 million. Some 1,200 jobs are being lost per week in 2012.

I welcome that there has been a number of job announcements in recent times, such as with Kerry Foods, and again in Louth today. There seem to be jobs announcements for certain parts of the country and other parts of the country are being excluded. Sometimes I think that neither the Government nor IDA Ireland and Enterprise Ireland recognise that my home county of Wexford is a part of Ireland and think that it is an outpost on the outskirts of Wales because we are certainly not getting any jobs announcements. Neither IDA Ireland nor Enterprise Ireland is taking any interest in us. The only jobs announcement in the past three or four years was a number of years ago when Coca Cola announced a 100 job company was to set up in Wexford. That company has now set up, but all of the major jobs announcements in the pharmaceutical sector, in companies such as Kerry Group and in other such areas seem to be going either to the major cities or to counties adjacent to major cities. It is important that counties like my own would get an opportunity and that Enterprise Ireland and IDA Ireland would show more inter-

est. I understand from a recent parliamentary question that the number of visits to Wexford for a two-year period was nil and I would question the ability of Enterprise Ireland and IDA Ireland to be fair in how they encourage companies to look at sites in counties where there is a high-scale loss of jobs and where many are unemployed.

My county depended heavily on the construction sector, which has fallen through the floor. There are significant numbers of young people who left school at a young age, such as 15 or 16 years, when there were good earnings in the construction sector. They did not avail of the education facilities at the time. The lure of high earnings attracted them. Now they have neither a building skill nor any kind of skill. It is important that the Government would provide facilities to upskill and retrain them in that area for the jobs that might be available. Farming and the food sector is an area where there are considerable opportunities. There are opportunities in the wind and wave energy sector, and also for those with IT skills. We need to provide educational facilities that will encourage people to be retrained and re-skilled because too many are emigrating. There are considerable numbers - 50,000 or 60,000 young people emigrate a year - now in Canada, Australia and other parts of the globe when they should be working in their own country having been highly educated at home. There is a need to re-examine how we look at job opportunities, investment in jobs and job creation.

Recently, I read the Goodbody report. Sometimes I do not pass much heed of economic reports because some of them are usually very negative but Goodbody stated recently that it was downgrading its outlook on growth to 0.3% of GDP in 2012 and 1.3% in 2013. It also looked at the true state of unemployment and disagreed with the official reported rate of 14.8%, arguing the true rate of unemployment is closer to 20%. A major concern to all of us are those who are long-term unemployed. They are finding it difficult to get back into a position where there might be job opportunities available to them. It is an area at which we need to look.

An area on which the Minister for Finance has been working is funding for SMEs and bank lending. Bank lending seems to be at a standstill right across the country. Every week at my clinics - I assume it is the same in every other clinic - small business proprietors who would never have thought in the past of coming near a TD or a public representative are now coming in and stating the serious problems they are encountering with banks in trying to acquire loans to further develop their business or, indeed, overdrafts to survive in the present climate, only to find the door is being closed on them.

Also, I encounter a significant number on the housing list or in rented housing accommodation who wish to buy houses. As the Minister will be aware, house prices are at an all-time low. It is a trait of Irish people dating back generations that they like to buy and own their own home. Many are in a position to acquire loans but when they go to the bank, even though perhaps both the husband and wife are working, they find either the door closed in their face or they are offered 60% of the price whereas they probably need 75% or 80%. One could see a substantial increase in house sales and house building in certain areas in this country if the banks would only lend to those who are in reasonably good jobs and would be in a position to repay. There seems to be a "we shall not lend" attitude in the banks at present, regardless of the borrowers' ability to pay back. That is an area in which there should be further Government intervention. I understand that representatives of the Government, from the Taoiseach and the Minister down, have met the banks on a number occasions but there seems to be no movement or change of attitude in the banks. Certainly, this is an area that would generate house building. It would also create employment, if people were given the opportunity to buy their own houses.

I welcome the debate. It gives us an opportunity to put forward suggestions and ideas. It also gives us an opportunity to encourage the Government to change direction and to ensure that funding is available for the people of this country.

Deputy Damien English: As the previous speaker stated, the debate is a timely opportunity to look back over the changes under way in the economy since the Government took office approximately a year and a half ago.

Sadly, the consequences of a long period of reckless ill-disciplined governance, which preceded the current coalition and which unleashed economic chaos in the State, are being suffered by citizens. Most people out there are taking some amount of pain. That will take time to erode because what was left was a mess. There was dysfunctional Government for a long number of years, even before the bailout. On simple matters, the management of the economy was wrong. I will give a few examples to prove the point.

In the years 2001 to 2008, public sector staff numbers rose by 70,000 or 80,000, but there was no major increase in service of which we could be proud. It is not the staff's fault because they were put into a system that was not reformed. Part of the new Government approach is trying to fix those systems of governance.

The spend in nearly every Department rose by almost 100% over the same period - in some cases, by 160% - with no real results and no real monitoring. The view was it did not really matter, there were plenty of incoming taxes and one should merely dish them out. Former Taoiseach, Mr. Bertie Ahern, especially, and Fianna Fáil have a great deal to answer for in terms of the way they managed this country which ended up in us needing a bailout.

Another prime example would be the free travel scheme which was mentioned in a debate a couple of weeks ago. Over a short period of years, the costs of running the scheme rose from €45 million to €70 million and yet the numbers using it only rose by 20%. The costs rose by 60% plus where the increases in activity were only 20%.

The whole lot was allowed to get completely out of control. In the middle of all that, to fuel electioneering and stunts to win votes, taxes were reduced. There was an increase in public service expenditure, an increase in public service numbers employed and reduced taxes. It was not sustainable and it gave false hope. It was left to the Government to come in and reform that, and part of that involves adjusting the costs of running this country back to a sustainable level. The problem is that people were given false hope and they made commitments, got mortgages and short-term debts such as on credit cards, car loans, etc. It is painful, while one's income is being reduced and there are various additional charges, when disposable income is falling but debts are still there. Yet there is no other way round that. There is no choice because people were living a lie, thanks to the previous Government. It was not sustainable and was built on false taxes. In my early years as a Deputy in this House I listened to Deputies Michael Noonan, Richard Bruton, Enda Kenny and many others telling the Government that what it was doing was not sustainable. It is always thrown back at my party that we wanted increases in services, but that is not correct. Whenever we put forward proposals for increasing services or for new spending, they were always well costed and worked out. They always came with the red-line warning that there were savings to be made with reform of the systems. If those systems had been reformed, the then Government could have achieved what we, in opposition, wanted without spending more or increasing taxes.

Our budget adjustments for the period from 2008 to 2014 will be the second largest after Greece. The bank rescue, which I referred to as the fault of the last Government, has added 26% to our budget deficit when measured as a percentage of GDP. This has not been easy and every man, woman and child has been affected. However, there are enough analysts willing to deal with the negative elements of this situation. I will try to focus on the positives because people need to know that there is hope. They need to know that there is a future for this country.

Given that Deputy Adams is currently in the Chamber, I wish to point out that his party has never made clear to the people that if there was never a banking crisis there would still be a problem with our budgets. There is still a massive deficit to be tackled. The actual cost, on a yearly basis, of the increased borrowings because of the banks is probably in the order of €1.5 billion but our deficit is between €15 billion and €16 billion and was over €20 billion at one point. If there never was a banking crisis, we would still have a budgetary crisis because of the way the country's finances were mismanaged for years. Money was spent and committed long term but the income streams were not viable in the long term. I have listened to Deputy Adams on countless occasions talking about this and he seems to continually want to mislead people and convince them that the bailout money we received from the troika is just for the banks. It is not. The majority of that money was to help to run this country for three or four years while we try to get the deficit down to a sustainable level. A year or two ago, Deputy Adams was advocating that we pay none of the bank debt, although he seems to have changed his stance somewhat on that. If we had taken Deputy Adams's approach, nobody would have given us the money we needed to run the country for four or five years. The evidence is that any country, be it Iceland or Argentina, that reneges on its debts has to be in a position to survive for four or five years on its own resources until the markets will loan it some money again. Deputy Adams has never explained how he would run this country for three to five years. He was able to talk his way around it and with his magic pen, produce figures for the first year. However, he and his party have never spelled out how he would run this country without outside assistance while not forcing people to take cutbacks of the full amount, in year one or year two, of approximately €16 billion. That level of cutbacks would wreck this economy. What we are trying to do, in a balanced and logical way, is to gradually reduce the deficit, in agreement with our European partners, to a level which is sustainable. Perhaps Deputy Adams will take the opportunity today to explain how he would run the country for three or four years without outside assistance.

I have seen the jobs plan launched by Sinn Féin this week and there are some nice ideas contained therein. There is not much that is original but there are some positive elements there and I have no problem in giving credit where credit is due. There are some good ideas in the plan and the Government must examine them all. However, many of the schemes are about scale, namely, scaling up schemes that are already in operation. The Government would love to do that if it had the money. Everyone is in favour of stimulus plans if we have the money. In that context, I must point out that within Sinn Féin's jobs plan there is a €3 billion shortfall, which we are told the party will find by budget time. It is not credible to produce a jobs plan, giving false hope to people, with a €3 billion hole in it. It is difficult to pick out the good elements of a plan when there is a large black hole in the middle of it. Furthermore, the majority of the plan involves increasing the scale of schemes that are already under way, which we would love to do if we had the cash.

I wish to speak about positives today, to outline the real strengths of the Irish economy and to highlight those areas that will provide economic growth, jobs for our citizens and assist in our recovery. Our economic recovery must be export led and indeed, it is thus. Between July and

25 October 2012

August 2011, exports increased by 16% or €1.26 billion. This followed on from an increase of €452 million between June and July. Comparing August 2012 with August 2011, the value of exports has increased by €1.27 billion or 18%, leaving a trade surplus in the year to date of €30 billion. The scale of our progress in this area is well demonstrated when we compare ourselves to our neighbours in the United Kingdom. The UK had a trade deficit of €4.2 billion in August 2012, up from €1.7 billion in July. This shows just how difficult conditions are in the international markets yet Ireland's exports continue to remain strong. That is because we have brought back stability, competitiveness and hope. This country's reputation has been repaired in the last 18 months and people want to do business with us and want to buy our products. Our exporters, be they multinationals or indigenous companies, are hungry to increase their market share and are out there, pushing very hard, with the help of various Ministers and Departments.

People might not realise this is going on, given what they hear from some of the Opposition speakers and read in the Sunday newspapers. There is a duty on everybody and particularly politicians and those in the media, to give people some hope. I do not want ever to sugar-coat or deny that there are tough times ahead but people need to know that there is light at the end of the tunnel. I meet too many people, on a daily basis, who have no hope in their eyes. Yet, if they looked at the facts, trusted the facts and believed what they are being told, they would have hope. If some Members of the Opposition, on the odd day, spoke positively about things when they are positive, that would be good. There is nothing wrong with criticising the Government for doing wrong, which is the job of the Opposition but there is also a duty on us to give people hope. Parents need to know that there is a future for their children. Without hope, we have nothing.

All of the facts and the signs point towards hope. New jobs are being created. I have heard people, chiefly members of Sinn Féin, claim that there is no private sector investment in this country but that is completely untrue. We could not have new jobs announcements every week if there was no investment. Figures are regularly quoted which are almost three years out of date. There was a reduction of private sector investment of €30 billion prior to 2010 but the situation has completely changed since then but that is not mentioned. For the sake of proper politics and for the sake of the sanity of our people, I urge Deputies to look at the positives sometimes. I have no problem with looking at negatives but we must find a balance.

Deputy Gerry Adams: Caithfidh mé a rá ar dtús go bhfuil mé an-sásta seans a fháil caint anseo. Is maith an rud é go bhfuil an tAire i láthair. D'éist mé leis an méid a dúirt an Teachta English faoin dóchas. Is fear dóchasach mé. Gan dabht, tá mé sásta go mbeimid ábalta ár dtodhchaí a chur le chéile. Níl mé dóchasach ar chor ar bith faoin Rialtas, ach sin scéal eile.

The Central Statistics Office produced new emigration figures which show that 87,000 citizens have moved to Australia, Canada and other parts of the globe. The Minister for Finance once described emigration as a "lifestyle choice" but the real reason people have moved is that there is no work at home. Currently there are 435,000 citizens on the live register and Government policies are making this situation worse, not better. In my own constituency of Louth there were 17,193 people on the live register at the end of September. I welcome today's jobs announcement for Drogheda and my party has been very consistent in that where the Government has delivered, we have commended and acknowledged that. Even though the unemployment figures have been stubbornly consistent, the thing that has kept them from increasing is that old social safety valve beloved of successive governments, namely emigration. I wish to make it clear that emigration is not a solution. It is not a solution to have a whole generation away off in far parts of the globe.

I listened to what Teachta English said about the thousands of home owners who are trapped in negative equity and about the increase in poverty. The Government debt now stands at €160 billion or 120% of GDP. That is unsustainable and a good starting point would be, as I have said many times, to acknowledge that. The Labour Party and Fine Gael are committed to an austerity strategy. Arguably, Fine Gael would be committed to such a strategy, even if we were not in an economic crisis, because that is the nature of right-wing parties.

It is remarkable that despite its criticism of Fianna Fáil, which is justified, the Government has slavishly followed that party's policies. The four year plan produced by Fianna Fáil has been copied by the Government almost down to the last comma and full stop. Domestic demand is on the floor, not least because of a series of punitive measures that have reduced wages, child benefit payments, disability allowances and social welfare payments at the same time as attacking social provisions for carers of older citizens and people with disabilities. A range of stealth taxes have been introduced such as the household charge, the universal social charge, VAT increases and septic tank fees.

The problems cannot be boiled down to economics because we must also consider the social consequences of the Government's austerity programme. Government Deputies will be aware that the elderly have been hit by the closure of public nursing homes and the slashing of home help hours. I met senior citizens from the Older and Bolder organisation who were lobbying for an immediate reversal of the cuts to home help hours and home care packages. What the public cannot accept is the way in which money is always made available for the big people, the bankers and unsecured bondholders but not for the small people. Even the IMF now acknowledges that austerity is not working. The Government has to get real because it cannot cut its way out of a recession.

Sinn Féin will be bringing forward a fully costed alternative budget which sets out our view on how the deficit should be closed. We have done so every year since the crisis began. We also produced an alternative job creation strategy which I shared with the Taoiseach and the Minister for Finance. I am glad to find that Deputy Damien English read our strategy, although I do not know if the Minister for Finance has done so. Our detailed plan sets out a socially responsible method for reducing the budget deficit, while creating and retaining jobs. We call for an investment of €13 billion in job creation and retention measures. The money is available from the National Pensions Reserve Fund, the European Investment Bank and the private pension sector. It is not rocket science. We would build 100 schools and refurbish a further 75 in the next three years, establish 50 new primary health care centres at appropriate locations rather than according to ministerial patronage, develop a €1 billion investment programme in sustainable wind and wave power project and invest in the roll-out of next generation broadband across the State. People in rural parts of County Louth cannot get access to broadband services. The State ranks 17th out of 27 in European league tables for broadband access. I invite the Government to take some of these ideas on board.

I do not agree with those who say we have no options. We always have choices. Instead of investing in stimulating job creation, the Government has chosen to fritter away the National Pensions Reserve Fund on bank bailouts and payments to unsecured bondholders. Backbench Deputies can protest all they want, but that is what happened.

Deputy Damien English: The Deputy missed the €3 billion.

Deputy Gerry Adams: I do not make this up. It is in the manifesto which formed the basis

of Fine Gael's electoral mandate. Fine Gael promised an additional investment of €7 billion in energy, communications and water services to give Ireland a first-class infrastructure. I did not make up the promise to announce a jobs budget within the first 100 days of the Government coming to power. That was watered down to a jobs initiative. In February, after being in office for one year, the Government unveiled an action plan for jobs. The Taoiseach announced that the plan would help to create an additional 100,000 jobs. I welcome every job that has been created and envy the Taoiseach his great energy. However, while I welcome the successes, I remind the House that 33,000 jobs have been lost in the last year. Prior to the general election the Labour Party promised to create a jobs fund worth €500 million to support new ideas and create employment in strategic sectors of the economy. It also promised to establish a strategic investment bank with lending capacity of €2 billion from the National Pensions Reserve Fund. None of this happened. In September 2011 another strategic investment fund was unveiled which would draw from the National Pensions Reserve Fund to provide capital for small and medium enterprises. One year later the legislation for this fund has not even been published.

I acknowledge that the Government is in a difficult place, but we should not pretend we are all in the same boat or suffering equally. Few Deputies are suffering, comrades. Our constituents and citizens are suffering. Deputies who cry crocodile tears about the plight of working people are just displaying hypocrisy of the highest order if they then walk through the Government lobbies to vote for austerity measures and cuts. The Government is on the wrong track. I encourage it to consider the alternatives we have proposed because they cannot all be bad or wrong. Some of them might make sense. I urge it to overhaul its philosophy and reflect on the fact that it cannot cut its way out of a recession. The only way out is growth through investment in job creation. Stop putting our money into bad banks and invest it instead.

Deputy Dominic Hannigan: Earlier today 120 new jobs were announced in my home town of Drogheda. An American company, Yapstone, is setting up its new European headquarters in the town. It is an Internet payment company and will be hiring people for software development, finance and communications roles. These are the high-end technology jobs that we are trying to attract to Ireland. One of the reasons these jobs are being created in Ireland is our highly skilled workforce. This is why education is one of the Government's key areas for investment. The Minister for Education and Skills has outlined his five year school building plan which will ensure every child is accommodated when he or she reaches schoolgoing age. Seventeen schools will be built in County Meath to accommodate its growing population of young families. The capital investment we are making in the education sector will ensure not only that we continue to educate our children but also that we create local jobs in the towns and villages in which these new schools are to be built.

The Government is focused on attracting investment into Ireland. We are trying to create jobs that are sustainable. The State agencies are targeting dynamic and developing industries and emerging economies for export opportunities. A new tax regime has been introduced to support Irish companies looking for new export markets. We have also changed how our embassies work and seek to attract investment into Ireland. The Tánaiste has changed the remit of our embassies so that selling Ireland as a place in which to invest is central to their role. Embassies are telling international businesses that, for example, our labour costs have reduced and are now 14% lower than they were and we are now one of the most efficient labour markets in the European Union. Our exports are growing and have reached levels we have not seen since the mid-noughties. We are members of a European market base of 500 million people and we have one of the youngest populations in Europe and an education system that produces world

class graduates.

Ireland is an extremely good place in which to invest, as evident from the number of jobs being created here. However, I agree sufficient jobs are not being created and the unemployment rate is far too high. Deputy Adams accused some people of hypocrisy for saying one thing in their constituencies and something else here. I see it as hypocrisy on the part of Sinn Féin when 90 miles up the road the party is voting one way on cuts to services in the North of Ireland, but down here it pretends that is not happening. Deputy Adams cannot have it both ways. If he wants to accuse people of hypocrisy, he should be keenly aware of what his party is doing on the other side of the Border.

I accept the point we are not creating jobs as fast we would like and that is the reason we need reform. We are making reforms in areas such as social welfare and education and it is important we continue to do this. We need to ensure that people are being trained for the jobs available and provided by employers. This work is part of the remit of the new national entitlement and employment service that is replacing FÁS. This service will ensure that local employment needs are central to any new training scheme in their area.

We had the announcement today of an additional number of jobs in Drogheda, but we also had the announcement of the eighth review of our bailout programme by the troika. These outside agencies are judging whether we are keeping to the terms of the agreement entered into two years ago. We all want to put these reviews behind us and regain our economic sovereignty so that such reviews no longer need take place. The Government is working day in and day out to try to achieve this. We are on the right track. We want to see further job creation. Jobs are not being created as quickly as we would like, but we are making and will continue to make progress.

Deputy Kevin Humphreys: I want to use this opportunity to raise a number of key issues this country must consider. This year's budget will be tough, but despite the measures we must take, the deficit will remain 7.5% of GDP in 2013. This is well above what we can afford to borrow on a continuous basis. Unemployment remains far too high, at almost 15% and we are continuously working to implement measures to reduce it. The hard reality faced by many people I represent who worked most of their lives in the construction industry is that their jobs are not returning. Therefore, we must invest in retraining, reskilling and innovation.

Unfortunately, Deputy Adams has left the House. He mentioned many programmes, but he failed to mention the €2.5 billion stimulus package being invested in infrastructure and projects we need. He should have mentioned this. This programme will help some of the unemployed in the construction industry, but we need to do more. We need to examine and concentrate on how we can develop jobs for young people. The recent NESC report on climate policy identified retrofitting as a key measure to help us meet our emission target of a 20% reduction by 2020 from that of 1990. We can meet this target by making our buildings more efficient.

We need a large nationwide programme urgently for the retrofitting of insulation and upgrading of housing stock. Investment in retrofitting pays for itself through reduced energy costs, makes us less dependent on fossil fuels, reduces imports and is a good investment overall. The save-as-you-go is a good programme, but it will not deliver the reductions we need. We should consider a retail bond or public private partnerships to fund a programme, using long-term savings on energy costs to refund the money invested, whether from domestic savers, pension funds or companies. A huge stock of public buildings is in need of retrofitting in every

25 October 2012

corner of Ireland, schools, Garda stations, libraries, public offices, social housing, hospitals and care centres. Getting a retrofitting programme under way would provide work for many people.

Funding is key to this. I believe there is a digital dividend of over €200 million to be gained from the sale of spectrum frequencies freed up due to the end of the analogue television signal. That money could be ploughed back into the development of next generation broadband infrastructure. We also need to ensure that taxation measures we implement are fair and that all sections of the economy contribute to our recovery. The recent stories of extensive oil and gas finds off the Irish coast are good news, but perhaps we should consider a 10% levy on profits.

As the Minister for Finance is in the House, I would fail in my obligations if I did not raise the issue of the financial transaction tax. Some ten EU countries are going ahead with the measure to enhance co-operation. We should consider supporting this as we need some return following the havoc the financial markets have wreaked on Ireland. I believe we could raise up to €500 million in this area alone. Stamp duty on financial transactions raises some money from shares and bond sales, but more transactions are exempt from stamp duty than must pay it. Financial transactions are also VAT exempt and the taxation burden on them currently is low or non-existent. All sectors should make a contribution. I believe ESRI studies on this area are flawed. I also believe the example cited of what happened in Sweden is flawed, because it was just one country standing and acting alone. I believe it is possible we could introduce a financial transaction tax without affecting employment. However, we must be careful in choosing a mechanism for such a tax so as to ensure we do not lose the 15,000 jobs in the sector.

I would like to touch briefly on the issue of reducing pension reliefs. The Minister could raise up to €470 million by removing pension relief from high earners and this must be considered in the upcoming budget.

What the Minister, the Tánaiste and Taoiseach have done in negotiation on the separation of the legacy banking debt must be commended. I urge the Minister to continue negotiating hard for the country. However, we should also put out the message that if we cannot make a deal with the ECB or with our colleagues in Europe, we do not rule out renegeing on the promissory notes.

Deputy Mick Wallace: I have no doubt it is very difficult to run a country in difficult times. I do not take anything for granted and realise it is a massive challenge for the Government to make ends meet. It is unfortunate the austerity philosophy is being dictated from Europe and I believe that in a couple of years, if not sooner, there will be a U-turn on it and people will change tack. Sadly, the austerity programme is doing significant damage from which it will take a long time to recover. Austerity is making life difficult for many people and it will be difficult to reverse this.

The top priority for the Government with the upcoming budget must be to avoid any further deterioration in our social support infrastructure. Last year's budget seriously undermined this and it would be good if this could be redressed, at least in part. Some bodies have recommended that the ratio of tax increases to expenditure reductions should be reversed. They believe we should be looking at a 2:1 ratio, with tax increases the greater of the two. Given that the money has to come from somewhere, Social Justice Ireland has recommended the imposition of a 2.5% levy on corporation tax. It argues that such a move would bring in €750 million. The Minister will recall that when I spoke in this House two weeks ago, I pointed out that Microsoft pays a corporation tax rate of 7.3%, rather than 12.5%, in this country. If that company had paid

12.5% corporation tax on its 2011 profits of €6.5 billion, the State would have received another €340 million, which would have been dramatic. I emphasise that this phenomenon is repeated in many of the multinational companies that operate in Ireland. It would be great if we could do away with many of the prevailing tax avoidance schemes-----

Deputy Anthony Lawlor: The Deputy knows all about them.

Deputy Mick Wallace: -----and maximise what we receive under the 12.5% rate, which by any measure is light. Given that the rate of corporation tax in the United States is 35%, I do not think companies will run away from here if we ensure we receive our full 12.5% rate.

When the Minister, Deputy Bruton, was on “Morning Ireland” this morning, he was at pains to point out that tax avoidance is legal. I agree that it is. That is the sad part about it. I do not think it should be. Tax avoidance is not just a problem here - it is a worldwide problem. It is creating problems for all Governments as they try to make ends meet. In 2002, corporation tax accounted for 3.65% of this country’s GDP, but that figure had decreased to 2.25% by 2011, representing a reduction of approximately 40%. That was a big change. I have pointed out previously that in the US, corporation tax accounted for 7.2% of GDP in 1945, but that figure had decreased to 1% by 2009. I do not think this can continue. We have had the courage to tackle welfare fraud and rightly so. Governments throughout the world should deal with tax havens in the same way because they represent a massive problem. Irish companies can move to Holland, for example, and pay 1% over there. It is a bit crazy. I appreciate that Ireland cannot solve this problem on its own, but it would be good if we could speak out and encourage others to take action. I also think we should give our approval to the transaction tax idea. The financial institutions have caused many problems. They caused the financial collapse. They are not really rectifying the problems they have had. In 2008, there was a great deal of talk about things being regulated in a different fashion. We have seen a gradual erosion of the will to regulate financial institutions in a way that would make them more responsible and transparent in how they operate.

The fact the lending environment is so difficult continues to be a massive issue for the Irish economy, especially the domestic economy. Having listened to their constituents, I am sure most Deputies are aware that many people are finding it difficult to access money. Sadly, it is difficult to believe the banks when they say they are meeting their lending targets. They have already lost a great deal of credibility. We can be forgiven for suspecting that they are being economical with the truth when they tell us they are meeting their lending targets. I have heard many stories of companies that appear to be doing reasonably well, but are finding it difficult to access finance from the lending institutions. I was interested to note last week’s decision by President Hollande to establish a state-owned investment bank, in line with one of his election promises, that will offer €42 billion in financial backing to small and medium sized enterprises in France. I regret that the Irish Government has not established a strategic investment bank to lend to small and medium sized enterprises here. It has proven fruitless to depend on the existing banks and financial institutions to do so. We need a strategic investment bank that we can control. We need to be 100% certain that such a bank is open for business and eager to assist the economy and the businesses that participate in it.

We were informed by the credit union movement today that credit unions are in a position to make €7 billion available for lending. The Government has asked where it can find the money it needs. I remind it that the credit unions have money that can be used for investment purposes. If we do not invest in the economy, I do not see how we can make serious inroads

into our unemployment figures. We need to invest if we are to create a serious number of jobs, especially in the domestic economy. We cannot depend on multinational companies to create jobs for us. When one of them opens, another one closes. We have to start looking after our own house. We need to invest more in indigenous industries. We must get involved in developing our infrastructure once more. Such an approach will create the jobs needed to deal with the huge problems in our society at present. Until we manage to do that, it will be difficult for us to get out of the very difficult place we are in.

Deputy Simon Harris: I would like to share time with Deputy Lawlor.

Acting Chairman (Deputy Seán Kenny): Is that agreed? Agreed.

Deputy Simon Harris: I am grateful to have an opportunity to contribute to this discussion on the economic situation. I pay tribute to the Taoiseach, the Tánaiste and the Minister for Finance for the work they are doing to seek a better deal for this country in relation to its bank debt. Last week, our media learned a little lesson in how quickly things can move in European circles. RTE possibly learnt the folly of broadcasting a prerecorded current affairs programme. We all watched a programme that referred to the failure and the confusion caused by Chancellor Merkel, despite the fact that Chancellor Merkel and the Taoiseach had issued a communiqué earlier in the evening to clarify the matter. Things move quickly in Europe. As the Minister for Finance put it, we sometimes have to take two steps forward and one step back. Perhaps politicians and people in the media need to become more familiar with the way the European institutions are working with regard to the complicated ongoing negotiations the Government is involved in.

I do not want to use any of my time to talk about how our economy got into the position it is in. That is well documented and we have strong views on it. To be frank, I think the people are beyond caring about it at this stage. The people really want to know what sort of economy we will create. That is why every Deputy in this House was sent here. We all have a duty to make it clear that we are not trying to recreate the Celtic tiger economy. We are not going back to the way this economy was. We do not need to return to the era when the poor dog could not pick up the newspaper because of the weight of the property supplements that came with it and we were all talking about the economy on the basis of the value of the houses we were selling and trading with each other.

We need to create a more sustainable economy. I would like to set out how I envisage and hope such an economy will develop with specific reference to four areas. I will speak about what real public sector reform should involve; how our society can support the self-employed and job creators and encourage enterprise; how our society and our economy should scrutinise the banks, particularly as long as taxpayers have a stakeholding in them; and how society can move away from what I call Bertie Ahern economics, whereby people with disabilities and others are viewed in terms of how much money we can throw at them to keep them happy. Rather than dealing in dole-outs, we should deal in providing dignity for people and enabling them to reach their full economic potential. We have to stop looking at the costs associated with people with disabilities and start looking at the supports we can put in place which can actually save money for the State while improving the quality of life for people with disabilities.

With regard to the Croke Park agreement, there has been much debate on public sector reform, a lot of which has been rather unintelligible. This Government did not negotiate the Croke Park agreement and it is a statement of fact that it is due to expire in roughly 14 months'

time. The discussion we must now begin to have is what we want the public sector to look like and what a post-Croke Park public sector will look like. We all know about the reforming element of that but I would like to place two issues on the record. First, never again as a country can we have a discussion about public sector reform which treats all people in the public sector, from the person earning €25,000 or €30,000 to the person earning €120,000, €150,000 or more, the same and offers them the same level of protection. Second, we can no longer have a public service that does such a disservice to those working in it by just throwing allowances at them - which is the situation that evolved over many years - instead of giving them a simple, easy-to-understand pay structure. The Committee of Public Accounts, of which I am a member, has been examining public sector allowances over the last number of days and, to be frank, I have found no conspiracy or gravy train. What I actually found is that successive past Governments of every colour, instead of grappling with the issue of public pay, threw allowances at many low-paid public servants as opposed to giving them a decent salary. For example, instead of looking at the wage of the caretaker in Mayo who might have been earning X amount and was carrying out extra responsibilities, it would give him an allowance for eating his lunch. This sort of thing was going on and it is the reason we have such complexity.

The Action Plan for Jobs 2013 needs to examine job retention and, in particular, the issue of rates. Job creation and foreign direct investment are welcome but the 2013 plan must deal with job retention and a safety net for those who are self-employed. I know the Minister is looking at this and it is something we need.

In regard to the banking sector, we must hold the banks to a greater level of scrutiny. Only four of my constituents in Wicklow, according to a reply to a parliamentary question, have ever referred an issue to the Credit Review Office, and this is despite the fact that in more than 50% of cases the Credit Review Office has come out in favour of businesses.

We also need to examine poverty traps in regard to disability. There is another way. Rather than just cutting, we can reform and save money at the same time. The programme for Government details this, as does the value for money report and policy review, and the Irish Association of Supported Employment outlines ten things that can be done. Simply cutting without reforming is failing to do what we were elected to do. I trust the Government will address this in the budget.

Deputy Anthony Lawlor: I welcome the opportunity to speak on the economy. Most of the points I will raise concern the budget and, like the previous speaker, I like to think in a positive way about the future. The strange thing is that when the negativity comes out, it initially comes from the media, which have a terrible habit of starting off by giving a piece of good news, at the end of which there is the word “but”, and it suddenly expands into what they want to put out, which is a negative message. The negative message is then permeated through the Opposition. We rarely hear anything positive coming from the Opposition. This is a real opportunity for it to come forward with positive ideas on the economy and the budget.

I will speak on two issues: that of jobs, and that of the housing and construction sector. While we have a high unemployment rate of some 15%, we actually have the fastest growing workforce in Europe. Each year there is an increase in the workforce of 1.1% and, as a result, the generation of 23,000 jobs per annum just maintains the number on the live register. To reduce the number on the live register, we must increase the net number of jobs by more than 23,000 each year.

25 October 2012

The announcements of recent weeks have been very welcome, particularly in my own constituency with regard to the Kerry Group moving into the Millennium Park in Naas. What we need to do now is to take advantage of the situation created by a large indigenous company such as the Kerry Group generating 800 jobs and look at the potential to generate associated jobs, which is huge. It is vital that bodies such as Enterprise Ireland work closely with the Kerry Group to determine exactly what it needs in regard to spin-off companies that might potentially start up as a result.

A group of transition year students from Naas CBS visited Leinster House earlier and we had a brief discussion. They have an opportunity to decide the direction of their future with regard to the subjects they will choose for the leaving certificate next year. Obviously, given the fact that companies such as Kerry Group, and other indigenous companies on the high-tech side, are setting up in the Kildare area, I mentioned that they should focus on the STEM subjects. They said they would do their best to consider the science subjects and the jobs that might come up in the IT sector, but they made the point that not all of them would be involved in these areas and that, for example, some would go back to farming or potentially become young entrepreneurs. When I looked at the Macra na Feirme website later, it dawned on me that although we have so many schemes available through the budget for young farmers, we have nothing for young entrepreneurs. One of the points I raised when the microenterprise loan fund legislation was going through the Dáil was that we should ring-fence funding within that for people under 24 years of age, as unemployed young people aged between 18 and 24 would need an opportunity to access seed funding for ideas they may have. I hope the Minister will include some measure in the budget that will ring-fence funding for young entrepreneurs.

My second point concerns housing and construction. The Minister introduced a scheme last year to allow mortgage relief for first-time buyers and I would like him to extend this for another year. The advantages are clear. We have a depressed housing sector at present and only around 8,000 new houses will be built this year, which is well short of what is needed, with the result that a shortage will arise. I ask that the Minister extend this scheme for another year.

The Minister for Finance and the Minister for Public Expenditure and Reform have a difficult job ahead of them with regard to the budget and I wish them all the best. I encourage them to listen to the points I have raised and try to introduce them into the budget.

Deputy Luke 'Ming' Flanagan: I thank those who made this debate possible because it is vital to talk about this and we need discussion and debate to establish how well we are actually doing. My idea of a successful economy is one that takes care of its people and leaves them with enough to live and to have a decent life. The survey undertaken by the Irish League of Credit Unions has been quoted on umpteen occasions throughout this debate. The more often it is said, the more chance it will be listened to.

As the House has heard, 1.8 million people are left with €100 or less after paying their bills, which is an increase of 35,000 on the last time the survey was done. Alarming, 602,000 people had nothing at all left after they had paid their bills, so one would have to conclude the economy is not working for these people. It also states that 42% of consumers have had to borrow money to pay bills in the past 12 months. That is obviously not sustainable. People cannot be borrowing money to pay bills because that will eventually catch up with them.

In the last couple of weeks, information came out on how successful our economy is. It is so successful that one in ten people do not have enough to eat. With a group of Independents, I

met the troika last week and this issue was put to them. In fairness, they came back with a fairly decent answer. The problem is that the amount of money needed to survive in this country is so high in comparison to anywhere else.

2 o'clock

The idea that one could not feed one's family on €65,000 a year amazed them. They pointed out that they had economists with the highest possible qualifications working for them who were only getting that amount of money. It brings us to the nub of the issue; the problem in this country is that the cost of living is too high. One of the major reasons why the cost of living is so high is because people have unsustainable mortgages. The most recent figures available indicate that 83,251 people are 90 days behind in their mortgage repayments. If one is paying €400 and €500 a week on a mortgage the level of pay required to sustain it does not exist. Mortgages are too expensive and the economy is being crushed by them. We must help the people affected. It was my understanding that when stress tests were carried out on the banks that such factors as people not being able to follow through on mortgage repayments were included in the calculations. Reference was made to various figures, but approximately €9 billion was put aside for that purpose. Unfortunately, now the banks have the money, they do not want to use it for that purpose. They should not have been given it unless they were going to use the money for its intended purpose. As a result, people cannot afford to live in this country.

Another major issue when it comes to the cost of living and the economy is the lack of a real Competition Authority. We were supposed to have moved on in that regard with the Competition Act but many decent recommendations were ignored. For example, many people recommended the introduction of civil fines. The reason we need civil fines is because there is a gulf between "beyond reasonable doubt" and the "balance of probability" when it comes to proving whether a cartel is in existence or there are dodgy dealings. Civil fines were not introduced but they should have been. In addition, rewards should have been introduced. The introduction of financial rewards for information which helps in the detection and investigation of cartels leading to fines and-or criminal prosecutions are a key tool used by the Office of Fair Trading, OFT, in the United Kingdom. The OFT makes up to £100,000 sterling available to individuals who assist in successful prosecutions. I do not know what figure we would use in this country – perhaps €150,000 - but we need such a measure. We will be told that we cannot afford it. We can afford it because it would result in much greater savings.

We need adequate funding for the Competition Authority, a several-fold increase in the amount of resources given to it, to provide for effective public enforcement, including investigation and market studies. Currently, two gardaí work with the authority. There are more gardaí in west Roscommon trying to solve our crime problems than the number involved in trying to solve the entire range of crime in the area of competition. The number provided is grossly inadequate considering that there are so many anti-competitive practices which are costing the economy €4 billion annually according to Dr. John Fingleton, the former head of the Competition Authority. Something must be done about it because otherwise people will not be able to afford to live in this country, unless one calls living having nothing left at the end of the month. That is not living; it is merely surviving. I have higher ambitions for the Irish people. We must get rid of regulatory capture, but unfortunately in this country we are going in the opposite direction. We are encouraging more regulatory capture. As a result of a lack of competition and the fact that people have exorbitant mortgages, one cannot afford to live on what would be a reasonable amount of money in other places in Europe. There are times when one does not spend money because one does not have it but when the money is spent, more

money can accrue from it.

I met with the IFA yesterday. I am not its biggest fan. I have been open about that. It provided me with interesting facts on the suckler premium scheme which, if cut in my county and in surrounding counties where it is most required, will end up costing the State even more. For the sake of the economy we must tackle the notion of saving money while ignoring the fact that it could mean we will lose more money down the line.

In discussing the economy we do not talk enough about the local economy. In the run-up to the general election I carried out a survey on a few different products in the local economy. I examined fruit and vegetables for a start. In the Roscommon-South Leitrim area in 2010 we spent approximately €9 million on fruit and vegetables, virtually none of which is produced locally. We must encourage local production because it is the salvation of small towns such as the one I come from. If €9 million were spent locally it does not just remain as €9 million. The man who grows the cabbages and carrots will need to have his house painted at some stage or need to have a door hung. That means more money will go around in the economy because the farmers will then have the money to do such work. The person who hangs the door will also no doubt like to eat cabbage and carrots so the money will go around. At the moment that is not happening. In fact, we are going in the opposite direction.

I also examined the sale of draught beer and stout. We spent €14.5 million on them. It says something about us that we spent more on draught beer and stout than we did on fruit and vegetables. We must encourage more production to take place locally. An incentive is provided for microbreweries, which means they pay half the level of taxation of those involved in bigger operations. I suggest that we reduce the taxation even more because if a product is produced locally the money will go around locally.

A total of €430 million is earned by Galway in tourism revenue every year. Roscommon-South Leitrim earns €52 million. We are never going to reach the levels of Galway but with a little ambition and direction we could definitely treble the amount. We have the longest border with the River Shannon in the country. We got great news this week. As a result of “Moon Boy”, Chris O’Dowd’s television series, *hotels.com* reported an increase of 160% in interest in the county. We must take advantage of that. The way to do so is to vest as much power as possible locally. Unfortunately, local government reforms have thrown that to the wolves. The Government is getting rid of the very authority that could have driven the fact that Chris O’Dowd comes from Boyle - Boyle Town Council. We need proper local government and proper input from local people to drive the economy.

Deputy Eoghan Murphy: I thank the Minister and the Chief Whip for facilitating the House to provide time for this important debate on the economy. I have spoken previously about the importance of having an open budgetary process. Since it came into power the Government has been more transparent than any previous Government in terms of the information that has been provided on the economy and where we hope to go in the next three to five years. However, we can do better. We should benchmark ourselves against best practice in other countries where a budgetary committee might sit throughout the year examining various issues. A budgetary committee would be a forum for a debate such as we have had in the Chamber in recent days and the various ideas that have been brought to the table. It would allow people to come forward with ideas, debate them and have them fully costed. If ideas are on the table there would be a clear understanding of what measure A would achieve or what measure B would yield in tax or how it might help the economy. All Members would benefit from such an

open process conducted throughout the year. It is an aim of the programme for Government. I hope the current debate can evolve into something more detailed and open for next year as we approach the budget for 2014. Related to that and relevant to this debate is a Bill I published earlier this year, the Tax Transparency Bill. As Members of the Dáil, we are well informed about the details of the budget and the different possibilities that exist in regard to taxation, cuts and expenditure, but the general public may not be as informed or as clear as to what the Government is doing with their money. The purpose of the Tax Transparency Bill was to allow the Minister, with each budget, to send a statement to every person who pays taxes, detailing what taxes they would pay for the following year and how those taxes would be spent, in euros and cents, across the different Departments and according to the different programmes in each Department. People would actually know where their money was going. The benefit is that people would be brought closer to the process and could see the value of the money they are paying in taxes, how it actually helps people in terms of social protection, how it pays teachers' salaries and everything else. It might also bring into starker relief the challenge we face in terms of the deficit, the correction we must make and the debt we face. If one were able to look at that figure in terms of how it is proportioned per person it would bring the challenge we all face into closer relief. When we talk about the different choices facing us, people could see what the Government was doing with their money. If a government's stated priority was education, people would see that reflected in the tax transparency statement they received. They would see spending shifting to the Department of Education and Skills and increasing year on year, whatever the difference might be. Will the Minister, as part of this process, consider that Bill? The United Kingdom is to adopt a measure of this kind in 2014. Its budget comes out in March. If we could link in with UK officials, given the good relationship we have with that country, we could study what they were doing and when they moved to act on this for March 2014 we could do the same thing that year, but at the end of the year.

This year we have had growth for the first time in a number of years, which is incredibly positive. The fact that the economy is growing must be at the core of everything we discuss. Deputy Lawlor spoke about the basic increase in employment we need to make each year just to keep our head above water, but if we want to take people off the live register we must make an even bigger increase. Growth gives us a platform for that. Of course we need to grow more. The domestic economy is where growth must happen if we want to see the high unemployment figures really come down. It is incredibly important that we focus on that area.

From a macro perspective, some weeks ago we debated the Fiscal Stability Bill and the Irish Fiscal Advisory Council that was set up in tandem with the Bill. I made some points then which I reiterate now. Three essential points stood out for me in regard to the advisory council's report of 2012. First, we should make a bigger correction this year. We are anticipating a budget correction of €3.5 billion, with a number of corrections still to come in subsequent budgets. With a deficit so large, we remain too exposed to external events. It is necessary to close that deficit as quickly as possible so that we can regain control and again make decisions for ourselves in terms of the economy and what we want to do. I support that assessment by the FAC. We should cut more and should do so more quickly.

The second point that stood out for me in the report concerned the options to be considered when framing the budget. All options should be considered. We should look at everything, including possible tax increases, although that would not be my choice. There are changes in social welfare we could make. There are other costs which we are not currently able to examine, but it is important to the debate that we examine the opportunity costs of keeping a certain

policy in place or what could be gained by moving from one policy to another. These are the decisions we make and, in order that we can stand over them, it should be possible to see, page by page, why we make them - that it is because we believe we are getting such and such a benefit and that is the reason we are deciding to take such and such an action.

The third point made in the advisory council's report was about groupthink, particularly in regard to our assumptions for growth for the coming years. That is an important warning. When we talk about the boom and bust people say that nobody saw what was coming. Some did, but they were not listened to because society in general was going in one direction. We do not want to see groupthink evolving between our troika partners, the Department of Finance, the Central Bank and the ECB, because there is a risk that we could be wrong. When that happens, it happens, but we want to be prepared for that eventuality in case it transpires that our assumptions for growth next year are not as robust as we think they are. If we made a bigger correction in the budget this year, that would help us get past that fact. In that way, I believe the three points link in together.

Another point I wish to pick up in today's debate relates to the upcoming budget. We need an ethical investment policy for the National Pensions Reserve Fund. At present we do not have such a policy for our fund; our only restriction is that we do not invest in companies that manufacture cluster munitions. Other countries such as Norway, whose policy is very successful, have a progressive ethical investment policy for their pension fund. Currently, there is just over €5 billion in the discretionary part of the NPTF. Some €10 million of that, which is Irish taxpayers' money, is invested in companies that develop nuclear weapons. I do not agree with that and believe it is a direct contradiction of our foreign policy and our history in this area. This is only a small issue, but if the Minister is to make any changes to the use of the discretionary fund in the NPRF, he might adopt components of the Nuclear Weapons (Prohibitions of Investments) Bill, which I introduced earlier in this term. That could be done quite easily and would not involve much work. The precedent already exists in the prohibition of investment of the fund in cluster munitions manufacture, and the language is practically the same. We could adapt that to achieve a clear ethical investment strategy for the NPRF, thereby building a more robust strategy for ethical investment for the country, because this is taxpayers' money. It is a good fund to have although, unfortunately, much of it has now gone into the banks. It is important that we invest what remains properly, according to what we believe our values are as a nation.

Let us stay on the macro side of the economy and consider the banks before discussing the budget. There is a clear problem with the banks. There is no proper credit market in the country at present and we must continue to focus our attention on this. The Government has its own microenterprise loan fund scheme, which is welcome in the current climate. However, we should not need to have this and if there were a properly functioning banking market it would not be necessary. We must focus our attention on getting credit flowing again and getting it out of the banks. We might consider the deposits of Irish householders in the banks. Irish household wealth on deposit in Irish banks is just short of €100 billion, which is huge money. I do not believe the answer is to tax that money but, rather, to release it from the banks using some mechanism we might have at our disposal, perhaps a taxation policy or investment scheme policy which would encourage people to take the money out. They are not making any money because of inflation and because interest rates are so low - in fact, they are losing money. We need to get them spending and putting money into the economy again, in their local towns, investing in small businesses or offering small loans to friends who are trying out some enterprise, whatever it may be. This money is not made up of huge amounts owned by a small

number of people, but smaller amounts owned by many people. Many people are saving and we need to get confidence back about the economy so that they can start spending the money. The €100 billion on deposit owned by Irish people is where the stimulus will come from in the domestic economy. We must get it out of the banks. That is key.

I have a general point on taxes, which relates to the last point. We should keep taxation as low as possible for as many people as possible. We have to give the responsibility to the people to spend their money as they think best, and allow them to spend it in the economy, whether through investment or through buying and consuming. That applies also to the VAT we level on services and to the corporation tax rate and the income tax rates. In that way, people can spend their money as they see fit.

I have some other small points, which I will make quickly as my time is running out. I refer to the property tax. I have already corresponded with the Minister and offered my thoughts on how the tax might look. It is important to bring in new taxes, something we will do in the coming budget, and to give some certainty about the duration and cost of such taxes. If we are to bring in a property tax we should say what the amount will be and that it will be fixed for a period of, for example, three to five years. People can then have certainty and this will give them confidence in their own situations, just as we want to have confidence in the national economy when we spend that money. The decrease in VAT that we introduced as part of our first jobs plan has been successful, and we should extend it to other sectors of society. We should keep taxes for employment as low as possible because we want jobs to be created. That is important.

There are a number of enterprise investment schemes in operation. These are good, but are a little complicated for people to use. The maximum amount a person can get back through the system is in the region of 30%, whereas in the UK there is an enterprise investment scheme that operates at 50%. If a person decided to invest €10,000 in a company, a friend's enterprise or a local business, in time they would gain a return of €5,000.

I will communicate the rest of my points to the Minister in correspondence.

Deputy Joan Collins: It is obvious, and has been stated time and again, that the programme of austerity is not working. It has resulted in the collapse of the domestic economy. Only one statistic is required to show the level of collapse, namely, the 25% fall in demand, which is the worst such fall in any EU economy since the Second World War. We see this in our communities and our local villages when places close down. The shops where people go to buy their bits and pieces every day of the week are closing. I came down Dame Street recently and saw that a well known Chinese restaurant had closed, leaving a vacant premises. I noticed today that another shop had closed, Peats of Dame Street. People just do not have the money to buy goods. Where do we go from here?

The jobs initiative programme has been a complete failure. It is not having the required effect. A few speakers indicated that there has been an increase in the number of jobs being created. I welcome that development but I do not have the wherewithal to raise a fanfare in respect of the creation of 300 jobs by a company - the ethics of which I would question - that promotes gambling. We are not really dealing with the issue of creating jobs. Since the beginning of the year, some 33,000 fewer people are at work. This means that 1,200 fewer individuals are in employment each week. This is not the way to deal with the jobs issue. There must be an injection of capital to drive a programme of public works throughout the country. We are aware that the level of private investment has fallen by 67% in recent years. Some 60% of those without

work are long-term unemployed and 30% of these are young people.

The Government's complacency in the face of the collapse of the economy and employment is staggering. A jobs initiative based on an investment of €2.2 billion over seven years is meaningless and will not solve our problems. Said initiative will not ensure that people return to work and neither will it lead to more money being invested in the economy. The Government's strategy in this regard is only going to lead to further economic collapse.

People have condemned public sector workers because they have permanent pensionable jobs. I was encouraged to join the post office in 1979 because it offered permanent pensionable employment. The thinking was that if I needed a loan from a bank in the future, the fact that I was in such employment would stand me in good stead. Banks will not offer loans of any shape or form to people who have jobs where they might work 18 hours one week, five the next week and 20 the week after that. In such circumstances, having people in permanent pensionable jobs is good for the economy because this assists the process of individuals borrowing and paying back money, buying goods and services, etc. Unless the jobs that are being created are permanent ones with real wages attaching, they will not have an impact on the economy.

Reference was made to the Irish League of Credit Unions, ILCU. The latter is extremely important because it is in a position to highlight, by means of the surveys it carries out, the reality of the challenges people face on a daily basis. For example, almost 2 million adults have less than €25 to spend each week when they have paid their essential bills. This does not taken account of the fact that electricity, gas and food bills are all going to increase in the coming months. The recent bad weather experienced across the globe has had an adverse effect on the agricultural sector and this is going to lead to the increase in food prices to which I refer. As a result, inflation will increase and people will have even less money to spend each week. The ILCU has also highlighted the fact that this year there has been an increase of 28,000 in the number of adults have nothing left after their bills have been paid. In one of its surveys, the ILCU also points out that last year some 42% of adults were obliged to borrow money on at least one occasion in order to pay their bills.

During a briefing we had with the ILCU recently, we were informed that people are saving more and borrowing less. Only 42% of our credit unions' available funds are on loan. This is because people cannot access loans and are saving more money as a result. The ILCU also indicated that it has between €5 billion and €7 billion available in its funding system. If the Government were prepared to issue bonds, this money could be released and could be invested in social and job-creation initiatives in our communities. It could be used to finance schools building projects, support community projects, etc. In addition, some of the properties in NAMA's pool that are sitting idle could be given to communities and used to create jobs. Such a development would inject life into these communities.

Some €70 billion is held by Irish pension funds. It would not be beyond the bounds of imagination that these moneys could be freed up and used to remove people from the dole. The United Left Alliance will develop proposals in the coming period and put them forward in the form of a real jobs programme. We have put forward similar proposals on previous occasions. Action must be taken by the Government because we cannot wait for private investment. People are just not investing. The Government should not only be supporting private companies in creating jobs, it should also be creating employment itself. In the past, the Labour Party's philosophy would have included investing money in order to create jobs.

The type of necessary public works to which I refer include the replacement of all non-compliant water mains throughout the State, including connections to houses in order to ensure that pipes are laid below potential frost levels. During the property boom, such pipes were not laid at the correct depth. There should be a national rainwater harvesting programme and this should include all public buildings and infrastructure such as schools, public housing, Government buildings and motorways. I put forward a proposal to the effect that one of the schools in my area be allowed to avail of public funding in order to put in place an environmental system which would lead to its electricity, heating and other fuel costs being reduced.

Other public works would include the implementation of sustainable urban drainage throughout the State. In addition, there should be separation of all combined sewer systems in order to achieve separate foul-fluid and stormwater sewer systems. All flood relief schemes throughout the State should be completed. We could replace and upgrade all cesspits, septic tanks and percolation areas and prioritise connections to upgraded effluent treatment plants. In addition, we could accelerate the development of all planned effluent treatment plants and prepare and advance designs for treatment plants in all areas of high-density housing and areas outside urban centres. Wetland reed beds could be constructed on all farms which contain slurry pits or which discharge effluent into groundwater.

We should put in place works to construct a new road base and wearing course in order to ensure that all national secondary and county roads will have adequate base and surface layers to survive 25 years of the weather extremes experienced in recent years. We should retrofit all public buildings with insulation, while ensuring proper ventilation. Another initiative would be to ensure that works on public housing are completed estate by estate rather than individually. All public buildings and sites which are currently not in use should be upgraded, renovated or refurbished in order to provide public facilities such as public elder care, public child care, public playgrounds, heritage centres and museums. There should be no sell-off of any public properties. We should consider demolishing all unfit social housing and replacing it with environmentally-sustainable and aesthetically-pleasing alternatives.

We could train and employ 30,000 child care workers to provide high-quality public child care within a national child care infrastructure. This would fit very neatly with what the Minister for Social Protection, Deputy Burton, proposes to do in the context of reviewing the age limit relating to lone parents and would ensure that everyone could access proper child care. In light of the significant literacy and numeracy problems identified by the OECD, we could train and employ 10,000 adult education teachers in order to provide literacy, numeracy, computer applications and language courses to the long-term unemployed. The target in this regard would be to have the latter attain FETAC level 5 within five years in order to open their way to third level courses.

If it possessed the necessary will, there are many actions the Government could take in order to drive forward the type of initiatives to which I refer. We know that there is wealth in this country and that there is money available. Again, it all comes down to a question of choice. People cannot take any more austerity. Some 83,000 households are more than 90 days in arrears in respect of their mortgage repayments and the Government has stated its intention to introduce a property tax. What are the Labour Party and Fine Gael doing? They are putting the banks first and citizens second. The position in this regard must be reversed and the Government much change its social and economic tack. If we do not take the kind of actions to which I refer and if we do not change our political direction, then we will be obliged to endure ten or 20 years of depression and recession in Ireland and across Europe.

Minister for Education and Skills (Deputy Ruairí Quinn): I listened to the previous speaker's contribution and I would simply state that we have lost our economic sovereignty and that we do not control our own cheque book. There are those on the other side of the House who seem to think that this is some kind of illusion. If we were to go into the international money markets to borrow the money to which the Deputy refers, the rates would make moneylenders look like Franciscans. It is not realistic. I would like to engage with the Deputy on this issue, but we are speaking two languages.

(Interruptions).

Deputy Ruairí Quinn: We can learn from what has happened in this recession. We have to be very clear that we cannot go back to where we were, building houses we did not need for people who could not afford them and pretending we were all getting rich. It was nonsense and a collective mania. I will never forget how it started and the way in which it was asserted.

Deputy Joan Collins: The Minister's party supported it.

Deputy Ruairí Quinn: We did not support any of it. The lesson we can usefully learn stems from what happened to a country not unlike our own with a very similar history and on the periphery of Europe - Finland. In 1991-92 when the Berlin wall came down and the Soviet Union economy collapsed, Finland discovered within four to five months that one third of its entire export market which had been based on a system of barter and, therefore, more favourable to it had disappeared. It would be like Ireland losing the United Kingdom market overnight. In the midst of that crisis, with massive austerity which the Finns had the courage to impose on themselves, high levels of unemployment and disruption, the coalition government parties worked together. The government decided that in order to have a new kind of Finnish economy, since the old one could not be rebuilt or replicated, it would invest in education. That is what we are doing. I will explain to the House how this is being done.

From the Finnish experience, we know that investment in education pays for itself. Even in the midst of the economic crisis, I am working with the education partners to reform the entire education system. We know that the quality of teachers impacts directly on the quality of education. The McKinsey study, among others, points to the fact that all of the world's best performing systems have a single common factor, that the quality of teaching is essential to the quality of the system as a whole. That is the reason we are reforming the entire teacher training system. Primary school teachers will now go to college for four years rather than three; secondary school teachers will complete a two year postgraduate course in teacher training instead of the current one year course. A number of other changes will be made to improve the teacher training curriculum because the current system is badly in need of reform. A total of 19 separate institutions provide teacher training education for primary and second level teachers. This is contrasted with the position in Singapore which has one such institution, Finland has eight, while the province of Ontario has 13. It is recommended that these institutions be consolidated into six entities. I am pleased to inform the House that the response from the affected institutions, by and large, has been positive and they are beginning to collaborate with each other.

I wish to inform the House about the scale of reform of the education system which will consequently form the basis for a new economy when we regain our economic sovereignty. A new national literacy and numeracy strategy has been introduced. This will affect every child in primary school. We are also promoting an awareness of numeracy and literacy among pre-school children. We want to empower mothers, in particular, because they have much more

direct contact with young toddlers than fathers, regrettably, with the same cohort of young children. This changes as a child grows older, but mothers have a key role to play. We need to empower and liberate young women, particularly those who did not have a great experience of school themselves, to be confident and assertive about empowering their children by reading and talking to them. We will help them in that regard.

A standardised system of assessment has been introduced, with assessments at age eight when in second class; at age ten in fourth class; and at age 12 in sixth class. Children will be assessed at age 14 when in the post-primary system. It has been found that 50% of young people moving into second level education become disengaged by the age of 14 years. Working-class boys are particularly affected, but other disadvantaged groups are also affected. Literacy and numeracy skills are the key to all further learning.

I have moved to change the nature of the ethos and patronage in the primary school system. I want to rebalance it in order that it reflects the contours of modern Ireland rather than the contours of the last century. The legacy is that 92% of all national primary schools are under the patronage of the Catholic Church. Archbishop Diarmuid Martin of Dublin indicated he wanted to make that kind of shift and called for the establishment of the forum.

School self-evaluations is being introduced for the first time and with the co-operation of teachers and leaders in education. Schools will carry out critical self-examination and post information on their websites on how they believe they are performing. I invite Members to encourage parents and others in the community to read these self-evaluations which are to be open and honest. The first step to recovery in any walk of life is to recognise a problem and to start talking about it, followed by examining options for interventions and solutions.

The most significant change will be reform of the junior cycle. The upgrade and reform of the primary school curriculum were carried out in 1999. Professor Tom Collins, when congratulating principals and deputy principals in the primary school system, famously said he wished to salute them for achieving something that nobody had thought was possible and which we now take for granted. Children no longer fear going to primary school. They no longer cry about going to school; they cry if they cannot. In the main, they love the experience. The way in which our children are taught in primary school is a credit to all concerned in the 3,200 primary schools. Sadly, that experience of learning by discovery and learning through group work - children sitting in clusters helping and supporting each other in their work - is cut off, savagely, when children move to second level education. That is the reason for the reform of the junior cycle. I hope the House can debate the details of the junior cycle reform at some stage because it is truly radical and extraordinary in its composition. I do not claim credit for it because it was not my idea; it was generated within the National Council for Curriculum and Assessment. The council attempted to promote this reform on three or four separate occasions in the past but without success. I have taken its advice and, with the support and assistance of the Department, I have decided to implement the reform.

Reform does not stop there. If the junior cycle is changed, the leaving certificate cycle is changed and the critical bridge from second to third level is also changed. Students will then enter third level education with an ability to learn. Learning how to learn is a critical component of the skills needed by the young students who can solve problems and work together. These are the skills required by both foreign direct investment and indigenous companies. There is a current worldwide shortage of certain skills and this country needs more workers with ICT and problem solving skills. Students who can address the needs of a growing market economy such

as ours will be guaranteed employment.

We have started work on achieving efficiencies in the vocational education sector, in the 33 VECs. It is hoped to enact legislation to merge them into 16 education and training boards by the end of the calendar year.

I refer to a decision of the previous Government which I supported in principle. The FÁS brand had been irreparably damaged and it was decided to transfer FÁS to two separate Departments. The labour market activation measures and related services for the labour market were transferred to the Department of Social Protection, while the training and skills component of what used to be FÁS has been transferred to the Department of Education and Skills. For the first time in the history of the State, responsibility for the full spectrum of preschool, primary, secondary and tertiary education as well as further education in the training sector, has been placed under one roof in the Department of Education and Skills. It is my intention to introduce legislation before the end of 2012 to place on a statutory basis the institution that will be known as SOLAS. This new organisation will exercise the same function in respect of further education, lifelong learning and retraining as the Higher Education Authority exercises in respect of the 33 third level institutions.

While Deputies have differing views on how to fix the economic disaster the Government inherited, we probably agree that when Ireland regains its economic sovereignty and returns to growth rates such as those mentioned by Deputy Joan Collins, we must not return to a business as usual approach. We need to create a new type of economy, the basis of which must be a new and reformed education system. For this reason, I am using the opportunity presented by the current crisis to introduce the reforms I have outlined to the House. I will be pleased to provide greater detail later.

I am also pleased to be able to inform the House that, notwithstanding the great difficulties in the education system, including cutbacks and adjustments, I am receiving wonderful co-operation from the broad range of stakeholders in the education sector. Despite the difficult period we are experiencing, they know education is the future and are committed to ensuring we do not waste this opportunity and instead put it to good use.

Deputy Sandra McLellan: I welcome the opportunity to speak on one of the most important issues facing the country. I say this because it would be naive to suggest that everything begins and ends with the economy. While the economy matters, in and of itself it is not the key factor which has led to the current maelstrom. The real issue of significance is the political ideology which underpins and informs economic policy. As thousands of men, women and children know all too well, the Government's particular brand of political economy does not serve ordinary people well, nor does it have their interests at heart. Let us make no bones about this issue; the Government favours austerity over growth and does not have a problem blatantly and defiantly pursuing the weakest and most vulnerable, while unashamedly bailing out banks, bankers and unsecured bondholders to the tune of billions.

Like obedient robots, the Government lacks imagination or any sense of social justice and is willing to slavishly implement the failed policies of the previous Administration, in particular, those crafted by the Fianna Fáil Party. That party's leader and Deputies appear to have developed a severe case of collective amnesia, as shown by the righteous posturing in which they engage almost daily in the House.

A cursory examination of unemployment and emigration figures shows the severe human cost of the failed policies of Fianna Fáil, Fine Gael and the Labour Party. More than 450,000 people are on the live register and thousands more are under-employed, while large sections of the workforce work long hours with poor employment conditions for low rates of pay. The domestic economy is in tatters, with thousands of small and medium sized businesses closing down, while thousands more are barely managing to keep their heads above water. It is estimated that on average nine people emigrate every hour and that more than 200,000 people left the country in the past three years, including 87,000 to date this year. If that were not enough, Government debt has reached €169 billion, an increase of 17% on the 2011 figure.

This is an appalling list of figures and testimony to the severe crisis in which the country finds itself. However, what is truly shocking about the current circumstances is the callous and determined manner in which the Government has deliberately and consciously targeted some of the most vulnerable groups in society. As we know only too well, Government Deputies do not lose much sleep over being part of an Administration that has removed resource teachers from Traveller children while pouring billions into recapitalising the banks and paying unsecured bondholders. The Minister for Health, Deputy James Reilly, proposes to reduce funding to the home help service by €8 million, thus reducing the provision of care to the most vulnerable. This will result in more people having to avail of full-time care in a hospital setting and increase the hardships faced by the low-paid workers who provide home help services, the overwhelmingly majority of whom are women. Home helps are only a small section of a female labour force that is increasingly characterised by low pay, part-time contracts, uncertainty about working hours and low rates of trade union membership.

The ongoing dismantling of the welfare state is part and parcel of the Government's bizarre logic that austerity will lead to recovery. Its outcome, namely, the privatisation of key public services, has resulted in untold hardship and misery for significant sections of the population. This week, the Irish League of Credit Unions stated that 1.85 million people live on less than €100 per month. Many families are in arrears with their mortgages and have difficulty paying their debts, while many more cannot pay electricity bills and are being cut off. An increasing number of households are finding it hard to make ends meet and put food on the table. What is even more worrying is that a growing number of families with children are at increased risk of poverty. The most recent figures from the Central Statistics Office reveal that since 2008 there has been an increase in the number of families with children at risk of poverty and material deprivation or in consistent poverty. To put this another way, as the Government bluntly implements its austerity policies, rates of poverty and material deprivation continue to increase at an alarming rate for women, children and families.

Adults and children are going without decent winter shoes and proper clothing. Many children do not have a winter coat, rarely eat meat or fish and are going to bed hungry. Given that children do not have an income in their own right, they are dependent on the households in which they live to provide them with basic essentials. Poor children have lower levels of educational achievement, are at increased risk of emotional and behavioural problems and have poor health outcomes. Despite this and other compelling evidence, the Government is not committed to women, children, the vulnerable, the under-employed, the working poor and low and middle income families. On the contrary, it is committed first and foremost to itself and, second, the European Central Bank, International Monetary Fund, international financiers, unsecured bondholders and the markets.

In my constituency of Cork East, the number of people on the live register has doubled

in the past two years. During this time, we have witnessed the almost total destruction of the area's manufacturing base and the obliteration of its construction industry. The end result of this process has been that the once thriving towns of Youghal, Mallow, Cobh, Mitchelstown, Midleton and Fermoy are struggling to survive. Inward investment is non-existent and thousands are dependent on social welfare and other social transfers, with the result that the local economy continues to stagnate. Austerity measures cannot kick-start economic recovery. In a recent series in *The Irish Times* entitled "How do you fix a broken town?", Youghal's main street is described as having "an air of near devastation", while the commercial centre is in "slow collapse, the result of a sharp downturn in trade". The article continues:

Youghal's town centre is dying. Unemployment has soared with the closure of old industries, and the economic centre of the town is in danger of collapse. Young people are leaving in search of work elsewhere. Poor planning decisions at the height of the boom have also left it with unsightly and largely empty apartment blocks.

Similar words could be written about most towns. Unfortunately, the series failed to add that many towns have fantastic community groups, sporting organisations and volunteers who help make them what they are.

The image of a town on its knees is a fitting metaphor for the current state of our country. It is the policies of austerity which are being pursued and surgically implemented by Fine Gael and Labour that are causing this state of affairs, and all the pain and suffering that goes with it.

Sinn Féin, in its job strategy document, *Investing in Ireland's Future: Create Jobs - Create Growth*, clearly shows that there are alternatives. Our children do not have to go to bed hungry, and our poor and vulnerable do not have to live in a constant state of dread and fear. If we are to have a future with dignity and decency, growth and not austerity is the way forward.

An Ceann Comhairle: I call Deputy Kieran O'Donnell who I understand is sharing time with Deputy Paschal Donohoe.

Deputy Kieran O'Donnell: That is correct, a Cheann Comhairle. You might indicate when I have one minute remaining.

On the day we passed the most recent troika review it is fitting that we examine the review in terms of the economy. In the short time available to me I will touch on a few key themes. I hear a great deal of sound and fury from the Opposition but in many cases we are on common ground. We want to look after the vulnerable, but we are challenged with the task of ensuring that we have the resources in place over a sustained period to enable us do that. Government must make difficult decisions. If we reflect on the past two years, our economy is in a much different place now than then. We were looking over the precipice when we came into office in February 2011. We have pulled back from that. Ireland Inc. is on a sound financial footing. We want it to be sustainable and for growth to take off. That requires other elements such as bringing down our level of overall debt as an economy. It requires the level of debt in the banks and the level of personal debt to be addressed equally.

We have seen the multinational sector do well. Jobs are being created, particularly in my constituency in Limerick where nearly 1,000 foreign direct investment jobs have been created since February 2011. That is to be welcomed. We have restored confidence in the public image of Ireland abroad, which is extremely important, first with the Taoiseach appearing on the cover of *Time* and second him being honoured by a German business association. These things matter

because we are a small, open economy. We are export driven. Our foreign direct investment sector is extremely important but of equal importance is our small and medium enterprise sector in which over 600,000 or 700,000 are employed by up to 200,000 employers, many of those in the export sector. We are looking to export into markets and it is extremely important that our public image is restored.

In terms of the challenges we face in the coming period, the first is the need to regain our full economic sovereignty and exit the bailout programme. Second, we must restore a higher level of consumer spending. Consumers are not spending to the level we need as an economy to achieve growth. A significant section of our GDP comes from consumer spending. Third, unemployment is the most serious issue for this country, and it is not a complicated issue. If someone is taken off the live register there is a saving to the State of approximately €20,000 made up of savings on social welfare and the contributions in terms of income tax. That is often overlooked. It is clear that is the next major challenge.

Another key element would be that credit becomes available in the banks. The banks are not lending at the required level. They have their part to play. I want to send them a message in that regard. People say banks will be banks. I do not accept that. The Minister, Deputy Ruairí Quinn, made reference to that earlier. We live in a different age. The banks cannot do what they did in terms of the DIRT inquiry and what they did successively in the 1970s with farmers. They cannot go back to the way it was previously. They must play their part. Taxpayers' money has gone into them and they need to show cause.

I will make two points on the bank debt deal. First, on the promissory note, the late Brian Lenihan stood up in this House as Minister for Finance and said that Anglo Irish Bank will have a residual value at the end of its life. That residual value must be factored in to the current value of the promissory note and bring down its value, so to speak. That is a key. It should be extended over a long period because that will lighten the load.

Second, they speak about legacy debt in Europe. Ireland had a special case. No bank was allowed to fail in Europe because of the overall situation and many bondholders were repaid in Europe out of Irish banks. They need to examine the long-term economic value of banks into the future and factor that in. Ultimately, what is good for Europe is good for Ireland and what is good for Ireland is good for Europe. We have a very good relationship with Germany and other countries but we need to see them walking the same road and giving Ireland a break.

Deputy Paschal Donohoe: I will begin on a positive note on our economy before I acknowledge all of the great difficulties we face. Listening to some of the Opposition speakers one would think there was nothing of any merit and nothing positive happening in any part of our economy or business life. We live in a country where every day there are between 80 and 100 business start-ups. We live in a country which already this year has been successful in attracting thousands of jobs in foreign direct investment that could have gone elsewhere. We live in a country that still has 1.8 million people working. We are a struggling economy that is selling abroad the goods and services we produce at a greater rate and at greater value than we have done at any other point in our history.

There are hugely positive dimensions to what is happening in our economy which we must build on and harness. The grave difficulty we face is that they co-exist with the trauma of an economy coming through an horrific credit bubble and the consequences of an horrific housing crash. In addition to that, hundreds of thousands of people are unemployed. Many people

25 October 2012

are struggling with the level of disposable income they have at the end of each week or month and the means available to them to look after the wants of their family. We have the ongoing tragedy of people leaving our country through no fault of their own and through no choice of their own.

Despite that terrible difficulty we still have, the positive elements of our economy I touched on earlier and many parts of society are trying to respond to that challenge as best they can. I have just come from a meeting of the Committee of Public Accounts which spent most of the day meeting with representatives of the Irish Prison Service to discuss the issue of allowances. They made the point that they have fewer staff and an increase of between 25% and 30% in the number of people serving custodial sentences, all of whom they can cater for and supervise in the right environment. They have made overtime savings with the same amount of staff of €30 million per year. That is an example of the way different parts of our society are collectively responding to the terrible difficulty we all face.

In terms of that collective response, I heard two points made from the Opposition benches in recent days criticising what we are doing as a Government. I ask two questions of those Members. If they are against narrowing the gap between what we take in in tax and what we spend each year, of what are they in favour? Are they in favour of not narrowing that gap and ensuring we have less money to spend in future on our public services because we must spend more money on debt repayments and debt interest payments? Are they in favour of narrowing that gap in a different way? If so, they should spell that out with credibility and honesty. They should not put forward ideas such as a wealth tax and pretend that will not affect our banks, ordinary people who have deposits in banks, and the ability of businesses and families to get the credit from banks that they need.

3 o'clock

They are putting forward the economics of Harry Potter, fantasy ideas as credible solutions to the trauma in which our country finds itself. If that is what they believe the answer is, then they need to spell it out.

Some Opposition voices also claim they are against the idea of recapitalising our banks. No Government wants taxpayers' money going into recapitalising the banks. However, do these Opposition voices believe we would be in a better position if our banks were not capitalised or secured? If it is not the taxpayer who will pay for recapitalising the banks, then the Opposition Members need to spell out who will. Over the next several weeks, as the Government sets out what it will do to respond to our economic difficulties, the Opposition should honestly answer those two questions.

Deputy Seamus Healy: The Government got into power under false pretences. It has no mandate for the various economic policies it has pursued since its election. We all remember what was said back in February 2011 by the parties which now make up the Government: "We were going to burn the bondholders"; "there would not be another cent for the banks"; "it was going to be Labour's way, not Frankfurt's"; "the vulnerable were going to be protected and-----

Deputy Michael McNamara: They are protected.

Deputy Seamus Healy: -----hundreds of thousands of jobs will be created."

The opposite has actually happened. This Government simply took over the policies of the

previous Fianna Fáil-Green Government, lock, stock and barrel. The Government's economic policy has absolutely failed, destroying jobs both in the private and public sectors. It is most certainly Frankfurt's way, not Labour's, as we tip our hats to the robber barons of Europe. The Taoiseach is to receive a special award from a German business group for being a good European. With the Government's satisfaction rating in recent polls, the Taoiseach and the Tánaiste would certainly not make the greatest Irish person of the year.

This Government is a job destruction Administration. Central Statistics Office, CSO, figures – in other words Government figures – show a complete failure in its job creation policy. In the past 12 months of the Government's tenure, 33,400 net jobs have been lost, meaning there has been a decrease in the number of jobs in the economy. The Government is clearly operating a jobs-destruction policy with 10,000 jobs lost in the private sector while 20,500 public service jobs have been eliminated, mainly in front-line positions such as nursing and policing. Unemployment has increased and emigration continues unabated. Based on the Quarterly National Household Survey, the CSO estimates the excess of emigrants over immigrants is approximately 37,000 with 70,000 people leaving the country each year. Without emigration, unemployment would have reached even more horrendous proportions than it has. Six out of ten unemployed persons are classified as long-term unemployed, meaning they have been out of work for over 12 months.

The blanket bank guarantee and the agreement with the troika was an act of national treachery by the previous Fianna Fáil-Green Government. Continuing it is another act of treachery by the Fine Gael-Labour Government. Billions in Irish money is paid out to big European banks and international investors to bail out the European financial system. Since the Government came to power, it has paid €20 billion to banks and bondholders which it claimed before coming into office it would not do.

The truth is Fianna Fáil, Fine Gael, the Greens and the Labour Party have another agenda, one that protects the super-rich while making low and middle-income earners pay the bank debts. The people are being played for fools, not just by Angela Merkel but by the Government as well. The fact interest payments of €7 billion a year will leave the State coffers shows the Government is carrying out the policies of the bagmen for the European banks, the troika. Up to €25 billion has been taken out of the economy over the past several years without any serious decrease in the deficit.

Austerity is simply not working and will have to be changed, a widespread view and one accepted by many including the Irish Congress of Trade Unions, ICTU, and Social Justice Ireland. Jack O'Connor, president of SIPTU, the Services, Industrial, Professional and Technical Union, has accused the troika of sabotaging Ireland's chances of recovering from the economic crisis by insisting on sticking to a strategy which has failed spectacularly in Ireland and across Europe, piling misery on working people and their families. Even the International Monetary Fund, IMF, has now accepted its cuts are deeply damaging to the Irish economy. It initially suggested that every euro taken out the economy would take another 50 cent out but now accepts it could be as high as €1.50. The European Commissioner for Employment, Social Affairs and Inclusion, László Andor, has said that too much austerity is being prescribed in the current crisis and a better way must be found to ensure growth. Not just nationally but across Europe, it is accepted austerity is simply not working and will have to be changed.

What has this austerity done to families here? There are very many people going hungry. Caroline Carney, the General Council of the Bar of England and Wales, and Bertrand Maitre,

the Economic and Social Research Institute, have shown that more than 10% of families experienced food poverty in 2012. The austerity visited on the country since the Government came into power has surely added to the impact of existing austerity measures. There have been various other reports, including one from the Irish League of Credit Unions. Another from the Central Statistics Office stated more than 200,000 children in the country were living in poverty, some 500 children were homeless and 35% of lone parent families were living in relative or consistent poverty. It is time to state clearly that reaching the deficit target set by the troika represents absolute failure, not success. We must stop the collusion with what are effectively European robber barons. To paraphrase the words of James Connolly, it is time for the reconquest of Ireland by the people. To do this we must change what is happening and change the economic policy of the Government. The British landlords of old have been replaced by European finance houses. Unfortunately, the Government is acting as their agent and bailiff.

Several things need to be done. We need to stop the austerity measures and targeting low and middle income families. We must also stop the repayments. The repayments on the outstanding bonds and promissory notes are to meet private, not public, debts, for which the people have no responsibility. We must tax the assets of the super-rich. I heard it said yesterday morning and again this morning during Leaders' Questions that everyone was challenged by the current situation. That is not the case. A small proportion, approximately 5%, the wealthiest people in the country, do not pay their fair share. A wealth tax should be introduced to ensure they do. A wealth tax is an accepted form of taxation throughout the globe. We need a large-scale job creation programme overseen by the Government rather than private industry or individuals since such efforts have failed. We also need to stop making cuts to public services and benefits.

Deputy Michael Conaghan: When the Government took over, Ireland was a sinking ship. The then Taoiseach was lampooned internationally, portrayed as a drunk at the wheel. Nobody would lend us money, apart from the troika which had been called in under cover of darkness by the Fianna Fáil Government. The Government has gone to great lengths to restore and rebuild confidence in our nation, set the ship of State afloat again and steam forward in the right direction. The image of the Taoiseach on the front page of *Time* magazine and the associated article, *The Celtic Comeback*, is not to be laughed at; it is in stark contrast to images of his predecessor.

One of the core economic missions of the Government is to create a stable economic and political environment, one in which people will have the confidence to invest. International investors are once again showing faith in Ireland, investing and creating jobs. There has been positive news on the jobs front, with such firms as PayPal, Paddy Power, the Kerry Group and many more announcing thousands of new jobs. The National Treasury Management Agency is once again active in the international money markets and paving the way for our full return to them. We are working towards exiting the EU-IMF bailout programme next year. This is the critical evidence that the Government's rescue plan has worked. This is proof that the Government is succeeding and will succeed. This is a considerable achievement in only 18 months in office.

Having rebuilt confidence and credibility in the international arena, the Government has taken a series of practical steps, introducing measures to further build confidence and rebuild the economy. These include a microfinance scheme and a credit guarantee scheme, introduced to increase lending to small businesses. The Personal Insolvency Bill is being introduced to help families who are struggling with unsustainable mortgages. The Government has introduced a €2 billion stimulus package to create jobs, while building schools and roads. The Minister for Social Protection, Deputy Joan Burton, has launched the successful JobBridge

scheme. This was sneered at initially by Opposition Deputies, but it helps young people to gain the necessary skills to compete for positions in the workforce and has already helped thousands to find work. The list goes on.

Challenges, however, remain. The greatest challenge to restoring and rebuilding the economy is presented by the level of unemployment. It poses a considerable challenge to individuals and families. These are people who want to work and pay their way, but they cannot get the opportunity to do so. Unemployment levels remain far too high. Almost 500,000 people are out of work and further action is necessary to tackle the problem.

Economists refer to unemployment as if it were evenly distributed geographically. However, it is not evenly spread; rather, it is clustered. Statistics show that certain areas are affected far more than others and many urban communities suffer most. Areas of chronic unemployment face additional serious challenges which undermine the well-being and competence of communities. These challenges can have a damaging effect on family life and are hurting thousands of individuals on a personal level. This cannot be allowed to drag on. The budget must introduce action and new interventions to give these communities hope. We must consider different categories of employment schemes, including environmental, training and education schemes. Such measures should engage and keep people engaged until the opportunity to return to regular work re-emerges.

There are challenges, but the Government is committed and determined to address them. There is light at the end of the tunnel. There are Deputies in the House who appear to want to build a wall at the end of the tunnel to shut out the light. They are putting political gain and the advancement of their personal and party interests before the national interest. They seek to undermine the Government's work in every area, whether in securing a deal on our bank debt, solving the personal debt crisis or creating jobs. Often I get the impression that they would prefer it if we did not succeed.

History will not reflect kindly on Sinn Féin, Fianna Fáil, the remnants of the United Left Alliance and others who in an opportunistic way seek to undermine the Government and the State at every opportunity. I take particular issue with the stance taken by Sinn Féin which preaches against austerity in the South while practising it in the North. Early this month it baulked at the opportunity to stop the savage Tory welfare Bill in the Northern Ireland Assembly. It will play its part through the Northern Ireland Executive in implementing savage Tory cuts that will impact disproportionately on women, children, young people and the disabled. Its cynical posturing on this issue was exposed when the SDLP challenged it to sign a petition of concern, a mechanism that would have stopped the Bill in its tracks. However, it would not pull the trigger. Is this the same Sinn Féin that is represented in the Dáil? Are there two Sinn Féin parties?

The Government has made a great start in putting the economy back on the right track. It is a long road, sometimes bumpy, but the Government has the resolve and determination to fix what was a broken economy. I urge every Member to support the Government in its great struggle for national recovery.

Deputy Michael McNamara: I have no doubt Deputy Seamus Healy and many of his cohorts would have preferred to see an immediate default when the Government assumed office. Such a default would have entailed an immediate €18 billion increase in the deficit because that is what the deficit was when the Government assumed office. Reducing it by the required €18 billion would have necessitated a reduction in spending on social welfare, education and health

services, that is to say, the big ticket items. This would have been combined with an increase in taxation, property and incomes taxes and the universal social charge. I have no doubt that the Deputy would be the first to oppose any reduction in spending on health, education, social welfare or any of the other services on which the Government spends money. Likewise, no doubt he would be the first to oppose any increase in income tax, in the universal social charge and in any other charge, including the household charge. He is a notable member of the anti-household charge brigade and the anti-property tax brigade. In fact, last night I heard him and many of his cohorts campaigning here against the introduction of employers' contribution to sick pay. Where is that €18 billion to be found if not through co-operation with the programme which the Government inherited?

That programme is flawed in many regards. A central element of it is *pacta sunt servanda*, that is, agreements will be followed, no matter how immoral are those agreements. Regardless of whose debt is the €64 billion that has been taken off the back of the Irish taxpayers and put into our banks, that debt must be paid by Irish citizens. Do I agree with that? No. Do I think it is moral? No. Do I see any alternative for the Government at this time or did I at the time that it took power? Unfortunately, I do not. That requires renegotiation and those negotiations are ongoing.

Those negotiations are at an advanced level, as we all saw last week when Chancellor Merkel, on Friday night last, caused quite a bit of confusion when she stated that there would be no retrospective recapitalisation of the banks. It is quite clear that Chancellor Merkel's first instinct is to protect German bankers at the expense of Irish citizens and, indeed, citizens of Spain and peripheral countries right across Europe, and that is very much Frankfurt's way. There is an alternative in Europe. We have seen M. François Hollande, the new socialist President of France, sign up to a growth and debt restructuring agenda which is very much the way of socialists across Europe. There will be elections next year in Germany and in Italy which will very much determine the future of Europe. As I stated, we are not free to act on our own, unless, of course, we are to slash Government spending in a way which would entail significant pain for ordinary people, but I do not advocate us being mere passive bystanders in those elections. We must reduce our deficit, first, because it is a condition of the programme we are in and, second, because any serious economist who advocates a default will first state that one cannot default until one's deficit is down to zero. We must contemplate a default but in order to be able to even contemplate a default when this programme ends - I would far rather see a default than enter into another programme on the same terms as this one - we must reduce our deficit. There is no alternative to a deficit-reducing budget at this time.

Deputy Billy Kelleher: I welcome the opportunity to speak on this important matter.

Last night, I was present when the Tánaiste and Minister for Foreign Affairs and Trade, Deputy Eamon Gilmore, addressed the House. He spoke with passion, conviction and belief. Equally, I attended many debates in this House when he was on this side of the House and he spoke with passion, conviction and belief. The only difference between the passion, conviction and belief on this occasion was the content, which was at complete variance with what Deputy Gilmore used say when he was on this side of the House. On every occasion, he would have opposed the decisions of the previous Government in trying to address the budget deficit. What I find hard to comprehend is that he then spoke about the need for honesty, no "fairytale economics and the politics of denial", and that we "need to be up front with people about how we got into this crisis", and what we need to ensure that it does not happen again. When one looks back at the record of what was stated when Deputy Gilmore was leader of the Labour Party sit-

ting on the Opposition benches, he opposed every measure to reduce the budget deficit.

Deputy Michael McNamara is correct in stating that if one was to contemplate a default or if one wanted to strengthen one's bargaining power with the troika, the Commission, the ECB or bond holders, one would want to be in a position where one could live without them if they said "No" because if one is depending on the lender of last resort, it is difficult to negotiate from a position of strength. That is where the previous Government found itself.

The idea that we embraced the IMF and everybody else and went out hawking the sovereignty of this country to try to bail ourselves out is simply not correct. There are two reasons this memorandum was forced on this country. Some of the policies that were pursued were inflationary and when the crash came we had a massive hole in the public finances, but the policies were by and large supported by everybody in this House. When I was on the Government benches, we were scurrilously attacked on every occasion for not spending enough on public services and not reducing enough in taxation. I took a lecture from the Minister, Deputy Pat Rabbitte. When he was leader of the Labour Party, with his programme for Government under his arm in 2007, he promised that he would reduce the standard rate of income tax to 18%. If one wants honest debate, let us start with a bit of honesty in the Chamber and let us be real about the challenges and difficulties facing this country. It is at least hypocritical for the leader of the Labour Party to be able to do a somersault from the Opposition benches to the Government benches, a mere distance of five or six yards, and to turn on its head everything that was said on this side of the House as being nonsense and opposition for opposition sakes when that is exactly what Deputy Gilmore stated when he was on this side.

There are significant challenges. Deputy Peter Mathews has advocated in this House for some time that there must be a renegotiation of debt. I would be the first to support it. My party has never undermined the Government when it went abroad to negotiate a debt settlement for this country. We have advocated and encouraged them at every turn to use whatever their diplomatic powers and contacts throughout Europe to find a better way forward. As I and everybody else in the Chamber knows, and as the Government knows but cannot state publicly, the bottom line is there will be a debt settlement. It will be either by default or by negotiation. We are quite definite that this country with a population of 4.3 million simply cannot sustain the level of debt that is being placed on it, in terms of the deficit itself, the national debt and all the other arising contingent liabilities with regard to pension difficulties, etc.

The Minister for Finance may as well go back and tell the Department its projections are la-la land economics. At present, the growth projections are 0.2% of GDP for this year and 0.9% for next year. The Government is basing its figures on growth forecasts for 2012 that it projected and that will not be achieved and the forecasts for 2013 look dismal to say the least.

Let us be clear and honest. There is a very difficult time ahead for our citizens. I will accept my portion of blame in terms of the policies that were pursued that got us to where we were but at the same time everybody in this House encouraged us, begged us to spend more and promised to reduce taxes. We must use all our efforts to encourage those who are presently supporting this country to come up with solutions to make the debt more sustainable to unshackle the country's potential.

When one looks at what is said now about the bank guarantee, the Tánaiste and Minister for Foreign Affairs and Trade conveniently forgot last night that not only did Fianna Fáil, the Green Party and Sinn Féin support it, but Fine Gael supported it also. They supported it with the right

intentions. At the time we were facing a difficult situation. I stood in this Chamber on the night we had to make that decision and we were told quite clearly - the Governor of the Central Bank and others said it - that banks would have closed the following day if a guarantee was not put in place. We can argue and debate forever more the extent of the guarantee, but one aspect was sure, that the banking system in this country was on the point of imminent collapse and a decision had to be made. If we had followed other parties' lines, we may not have had the massive debts placed on the Irish people but we would have had significant dislocation of society the following day - ATM machines would have had no money and cheques and salaries would not have been able to be paid. In terms of the decision that was made about a bank guarantee, that is clearly accepted by most rational people. As I stated, the parameters of it can be debated by historians but we had to deal with the position at the time. I genuinely regret if the decision we made in government was the wrong one and we burdened the people and the generations to come with debt that was unnecessary. However, the bottom line is that at the time, it was the only decision possible.

People make great play of the idea that the European Union, the ECB and the European Commission are foisting austerity on us. They are doing that, to a certain extent, but there is also an obligation on this State to make every effort to become self-sufficient and sustainable into the future. I believe, however, that the European Commission has singularly failed to place growth at the heart of European policy. We now have a situation where the European Commission has been emasculated, with the Bundestag and the German Chancellor dictating European policy. I understand full well that the Germans make the largest contribution and that they have a lot to lose but we simply cannot continue with the situation whereby the European Commission is answerable to the Bundestag and the Chancellor when it comes to policy decisions. We had a situation where the Heads of State agreed on 29 June that there would be a move towards debt resolution. In that context, Ireland was mentioned as a special case and we were very pleased that such a commitment was given to the Taoiseach by his peers at that Council meeting. Then we had a retreat from that statement. While we did eventually get clarity, it was from Chancellor Merkel. She was the person who decided to give the clarity on Sunday night through a joint communiqué. We have had no words from the Commission on its obligation to implement decisions made at Council meetings. The Commission is failing in a most appalling manner. President Barroso and others must step up to the plate and be counted in terms of their obligation to ensure small countries are treated fairly and equally, as described in all of the treaties that found the European Union.

On the broader issues, as we face into the budget, everyone, including the Minister of State, knows the projections from the Department of Finance are no longer valid. It is simply untenable for the Government to continue to say that the levels of growth it has predicted will be achieved. It is just not happening. As we speak, the figures are unravelling. I know the difficulties the Government faces in terms of trying to address the budget deficit while also attempting to stimulate the economy. However, there must be an acknowledgement, first and foremost, that the present position is not sustainable and this economy will shrink further if something is not done. My party will publish a detailed budget that adds up and that will have some answers to our difficulties. There is no font of wisdom on this side of the House but, equally, there is none on the Government side in the context of the difficulties we are facing.

The European Union must take a more proactive role in addressing the recession that is now creeping across the rest of Europe. Many references have been made to the fact that Ireland is a trading nation. Ours is an export economy, which is small and open and which is influenced

by external factors to a greater degree than most other economies because of our dependence on trade. If the United Kingdom and the rest of Europe slide into a recession, the job of the Government, in trying to bring about economic growth here, is made much more difficult. The only way that there can be a stimulus package in Europe is through the European Commission advising national governments on the way forward, based on the Lisbon strategy and all that unfolded from it.

I applaud the Government's efforts in trying to secure a debt reduction but it is also time for it to encourage the European Commission to wake up and realise that there are millions of citizens throughout Europe who are unemployed today.

Deputy Frank Feighan: This an Irish, European and global financial crisis. This country is part of the problem but it can be also part of the solution. Light touch regulation in the banking sector and the wrong decisions being made by the previous Government were part of the problem here. As a country we lost our way too. Unfortunately everyone, from employers to employees, from home owners to the homeless have suffered greatly. I have been to Taiwan to talk about the global financial crisis. I was also in Australia, which is doing pretty well at present. In Europe and Ireland, we are feeling the impact more than in other parts of the world.

I have an anecdote I wish to share. We are fighting with Germany and saying various things about that country right now. I flew home from Frankfurt to Knock a number of weeks ago and most of the passengers were upper and middle income Germans. When the Ryanair staff went along the aisle of the aeroplane offering refreshments, not one person bought a cup of coffee or a sandwich because they knew it was bad value. They preferred to wait and spend their money wisely when they landed. If that had been a flight with mostly Irish people, the staff would have spent half an hour at least selling refreshments. One guy would have wanted a can of beer and a sandwich, the next a cup of tea and so on and the money being spent would be the money the Germans are giving us. That anecdote proves that we have a lot to learn from the Germans about good financial housekeeping.

Ireland is a template for getting out of this crisis. We were the first country to enter a programme and we will be the first to leave. We are stabilising the public finances and are dealing with the debt crisis. Ireland is a template for the stabilisation of the public finances in Europe as a whole. We are so close now to getting back into the bond markets. I hope that when history is written, it will note that this country and Europe got back to work. The euro zone will stabilise, which will benefit Ireland enormously. The global financial crisis will end. Ireland, by putting its people first in its policies, will prevail. Europe and the world will recognise the sacrifices made by our people. I have no doubt we will be the first country to get out of a bailout programme and get back to work.

Deputy Peter Mathews: As a newcomer to this Chamber I ask Deputies to park the petty, partisan politics of the past. We are in a slow motion crisis that has led to job losses, emigration, financial stress, family break-ups, family worries and even suicides. We have actually managed, despite that territory of ruin and misery, to start the work of site clearance. The Government, which is a coalition government, is doing its honest, level best to try to get a read of the situation, to measure it and to get a degree of correspondence and communication with Europe and beyond on how to deal with it.

Last Thursday and Friday at the summit the Taoiseach did his very best for Ireland. We can all see that. It is obvious. There was backsliding on the part of Europeans, particularly

some of the stronger European countries. They tried to hog, as it were, the higher and firmer financial ground of the European Union over September. The Taoiseach went back to determine and assert the position of Ireland. It meant that he had to lift the telephone on Sunday to have a very strong and direct conversation with Angela Merkel, the upshot of which was a joint communiqué indicating that the intention of the summit was to bring about a framework that would lead to the separation of bank and sovereign debt in the EU. We are on track for that and must now build on it. The Taoiseach is to be commended because he did the business-like thing and lifted the telephone. Phone calls do not happen simultaneously at both ends and it is highly unlikely that Angela Merkel would have lifted the telephone to call him. We should get behind the Taoiseach, say “Well done” and ask him to continue spearheading the direction of that conversation.

This week’s must-read article on the eurozone crisis is *The Eurozone Debt Crisis: The Options Now* by Lee C. Buchheit and G. Mitu Gulati. Karl Whelan goes to the trouble of digging these articles out. I do not necessarily read everything he recommends, but he gives us good tips on reading and he should not be ignored. I recommend that Members read the aforementioned article because it explains in stark terms what has happened at ESM level in regard to monetary transactions and what Mario Draghi and the ECB are doing. I tried my best at a meeting of the governors of the central banks of OECD countries in September 2011 to draw attention to the real effects of debt. I also reminded the Joint Committee on Finance, Public Expenditure and Reform about the issue but my concerns were summarily dismissed. This is the core issue for the economies of the world.

There are three types of debt. To make it easy for everybody to understand, a country, an economy or a society is like a body, and the working arm of that body in terms of the state is normally the right hand. Some people are left-handed but for purpose of the analogy I will use the right hand. In Ireland and the other programme economies of Europe - that is, Greece and Portugal - the right hand has been damaged by fiscal imbalances and accumulating debt that becomes unsustainable. Programmes, like injections of cortisone and antibiotics, have gone into that arm. The troika’s examination every three months takes the blood pressure, checks the blood count and examines whether the proteins and vitamins are working in the right arm, but one cannot concentrate on that arm alone when there is household debt on the left arm and corporate debt on the right leg, which does the weight lifting in the economy. Corporate business is the engine of production of goods and services outside of the public sphere. In the case of Ireland, these two limbs have gangrene, which has been ignored or overlooked.

That is where the argument about debt sustainability links with the legacy bank debt. I do not have enough time to explain exactly how it happened, but Ireland contributed €65 billion to €70 billion to save the eurozone system. That can be proved beyond doubt, but we have not passed the lesson on to our colleagues in Europe. Let us go back to the start of the European project. Martin Schulz mentioned solidarity. Where is that solidarity? Where is the Delors and Kohl heart of Europe? Mrs. Merkel may not have understood this because she comes from the centralised command economy of Soviet East Germany. She does not understand markets and, perhaps, the financial system, what makes them work and how negotiations and transactions work, but the US understands because it has been a market economy for a long time and it has been influenced by the cultures of many countries. The US put \$16 trillion of liquidity into its financial system. The eurozone financial system is like a bad central heating system. Last week I referred to an article by Simon Johnson, *Will the Germans Pick up the Tab for Deutsche Bank, Too?*, which examined Deutsche Bank’s €2.2 trillion balance sheet. To set what we have

done for Europe in context, Ireland's €65 billion equates to 50% of our national income. If Germany was to invest a proportionate level of effort in saving the eurozone system it would provide €1.2 trillion. That message has not dropped, but we should not be reticent about pressing our case. If it means going to the wire, the next time a fully owned bank is due to redeem a bond we should argue that it has a mixture of cash and liquidity and we are not in a position to pay out on the bond until we have a clear discussion on its composition. That is how we will concentrate minds.

Deputy Michael Colreavy: Like the previous speaker, I am a first-time Deputy. I agree with him that we should have a respectful debate in which we listen to each other. Politicians and decision-makers must listen to each other and to the public because we need a national effort to resolve our problems. As Deputy Peter Mathews is aware, however, a chorus of jackals starts to bay in this House whenever suggestions are made. Instead of respectful debate we get Deputies trying to shout each other down. This is unedifying and distasteful behaviour, and as a Deputy I sometimes feel embarrassed at the performances on display in this House, including this morning.

On Tuesday afternoon I witnessed an extraordinary event in the audiovisual room. The occasion was a pre-budget briefing by the community and voluntary sector. There was a good attendance by Deputies and Senators from all parties, as well as a large number of staff. The invited presenters outlined the impact of cutbacks in the voluntary and community sector on those who receive services and supports. They also described the damage that is being done to the fabric of social services in this country and presented seven key initiatives which they believed could be incorporated in budget 2013 to facilitate a strategic approach to solving the problem and delivering a sustainable future for our nation and our people. A question and answer session followed the presentations. It is a sign of a well-functioning democracy that political decision-makers listen to the public and engage with organisations representing a wide range of citizens. What happened next, however, was extraordinary. A Government backbencher, whom I know to talk to and who I do not doubt is an honourable, decent and caring man, said that he had hoped the speakers would present an alternative budget but all they came with was a vision and a begging bowl. He asked the presenters whether they thought Government Deputies were evil people. I was gobsmacked at these comments and asked myself what would prompt a decent, honourable and caring politician who undoubtedly entered political life for all the right reasons to react in such a way to organisations that suggested possible better ways of doing business. Why would any Deputy feel threatened by alternative views of societal and economic planning? Why would any party or Government believe that it alone has the correct answers to the myriad of problems this country faces?

Then it struck me that we had seen this before with the previous Government. The Nyberg report found that the Government had made decisions based on a flawed analysis of false information. I recall the taunts from members of the previous Government against those who questioned their decisions. One of the worst of these was the wish that people who talked down the economy should commit suicide. We were all told to don the green jersey because the Government considered it unreasonable for people to question the choices it was making. What we had was inaction or bad actions, based on blind panic and a failure to listen to cautionary voices.

I suggest budgetary proposals made by groups such as Social Justice Ireland and Sinn Féin should not be dismissed with contempt as they are. Those who question the vision and direction of the Government and suggest different ways of doing things should be listened to with respect. There should be discussion of and debate on their suggestions. I am sure our pre-budget

proposals will not be perfect, but they should be discussed and debated and their better parts should be adopted. Similarly, Government proposals may not be perfect, but they should be debated and discussed and their better parts adopted in order that we end up with a composite of what is best. That is how it should be done.

We need to clarify the direction we want to take. A satnav is useless unless the driver knows where he or she wants to go. We need that vision and to set our direction. We also need to hear what others have to say. We need a nation of people and organisations working together to restore our economic freedom and fairness and decency to society.

Deputy Aengus Ó Snodaigh: I begin by quoting what the Minister for Social Protection, Deputy Joan Burton, said last night:

Welfare expenditure acts as what economists often call a Keynesian “automatic stabiliser”. This means it acts in a counter-cyclical manner to support the domestic economy by putting money into the hands of consumers and thus into the tills of businesses, many of which are small and medium-sized... We must ask ourselves what is the impact of social welfare payments on domestic business. It is very strong.

In saying this, the Minister demonstrated a clear understanding of the economic impact of social welfare spending. However, actions speak louder than words. The Minister and the Labour Party clearly lacked the courage or conviction to follow through on that understanding because it was she who was responsible for cutting social welfare spending by €800 million last year and she is now gearing up to cut at least a further €540 million this year. We now see that she has not been cutting social welfare payments in ignorance of the implications for the economy and those on social welfare; rather, she is proposing and making social welfare cuts wilfully and in full knowledge that in doing so she will continue to depress demand in the domestic economy, costing further jobs year on year. She opened her speech by talking about the Government’s twin track approach to increasing employment and reducing unemployment. This approach comprises the Action Plan for Jobs and the Pathways to Work programme. However, she neglected to mention that despite promising 100,000 new net jobs by 2016, the economy had lost some 33,400 net jobs since the Government’s twin track approach had been launched.

The Minister proudly championed the handful of Intreo offices now in operation, claiming they would enable people to get back to work more quickly. She gave an example of how this would operate, telling us that if an employer in Sligo had three jobs, the local Intreo office would be able to offer that employer suitably qualified and interested individuals. That is logical and all well and good, but according to the European Commission’s figures, the reality is that there will be 150 jobseekers eagerly pursuing and in need of those three jobs. Pathways to Work, or plank two of the Government’s approach to the unemployment crisis, is almost redundant in absence of a credible plank one, namely, a strategy to create and deliver jobs.

The Minister spent her first year in office cutting social welfare allowances and claiming that anyone in difficulty could always go and talk to the community welfare officer, but in many cases one can no longer do this. If people experience a crisis, for example, with regard to their rent allowance payment, they are directed to make contact through a PO box number. This is great news for those in crisis.

The Minister spoke in unreserved congratulatory tones about the turnover on the live register. However, she did not mention the damning statistics that prove the approaches of the

Government and the previous Fianna Fáil-led Government have been an abject failure. In the past year, while the Labour Party has been in power, unemployment has increased from 14.1% to 14.8%. Long-term unemployment has reached an all time high of over 200,000 people, six times the number in 2007. The long-term unemployed now account for 60% of the unemployed, up from a figure of 54% a year ago when the Labour Party took up office.

Underemployment is also growing but is often overlooked in a crisis. Since the Government came to power, the level has increased from 120,000 workers to 150,000. These are workers who would work more hours if they were available. Since the Government came to power, 167,700 have left the State. The number has risen from 80,600 to 87,000 in the two years the Government has been in power. The largest component of this group appears to be workers in the 20 to 34 year age group. We must conclude from this evidence and evidence published today by the Society of St. Vincent de Paul that the Government and its approach to the economy are an abject failure. I urge the Government, even at this late stage, to consider an alternative way, one proposed by Sinn Féin and others. It might be pleasantly surprised by how our approach would turn the economy around.

Deputy Jerry Buttimer: I welcome the Minister of State, Deputy Brian Hayes, and pay tribute to him for the way he has demonstrated the ability of the Government to govern. People like him, the Minister for Finance, the Minister for Public Expenditure and Reform and other members of the Cabinet are now in charge. I listened to Deputy Peter Mathews' remarks and would not like to disagree with him. A famous line from a previous American presidential debate went, "Show me the beef." We have seen no beef, nothing, from the Opposition. In fact, the architects of our misfortune are missing from the Chamber when they should be present.

The backdrop to this debate is the position where the Government has repositioned Ireland to return to the financial markets, as demonstrated by the report of the troika today and the press conference on it. I welcome the comments of the Minister for Finance informing us a paper will be published before Christmas outlining the options for exiting the position we are in and returning to the markets. This is good and positive news that demonstrates the Government is working with the people to ensure future generations can live in a free and independent Ireland in which their economic sovereignty has been restored. If people want to engage in voodoo economics, that is fine. However, they should level with the people and not conjure up mock money that does not add up. They must be honest. Sinn Féin is in government on another part of the island and making cuts and hard decisions, while getting a block grant from Westminster. It must live up to its responsibilities down here, not the opinion polls.

Deputy Aengus Ó Snodaigh: We accept we have responsibilities. We publish our proposals annually, using figures from the Department.

Deputy Jerry Buttimer: Do not live by the opinion polls. As the Deputy knows quite well, there is no pot of gold, despite what Sinn Féin might think.

Deputy Aengus Ó Snodaigh: Nobody said there was a pot of gold.

Deputy Jerry Buttimer: Let us put the matter in context. We were told the Government would not succeed in getting a €10 billion reduction from the troika. We were told we would not get a stimulus plan of €2.25 billion and that there would be no result at the euro summit in June. Last Sunday there was an outpouring of ridicule of the Taoiseach and the Government, but the position changed on Monday when there was a joint communiqué from Mrs. Merkel and

25 October 2012

the Taoiseach. Where was the green jersey of Ireland on Friday, Saturday, Sunday and Monday? It was abandoned in favour of point-scoring in order to see and increase in the opinion polls. It was abandoned in the hope the Government was wrong. I challenge opposition Deputies, including those present in the Chamber, to set out where they stand. Do they want Ireland to restore its economic fortunes? Do they want the country to get its people back to work?

4 o'clock

Deputy Aengus Ó Snodaigh: Yes.

Deputy Jerry Buttimer: Do they want the Government to fail? Their policies do not add up.

Deputy Aengus Ó Snodaigh: They add up to a lot more than the Government's policies.

Deputy Jerry Buttimer: As their policies are a load of rubbish, they should be burnt in a bonfire outside the gate. The Government has announced a €17 billion capital programme. It is spending €2.2 billion to build 40 schools and develop 180 major school projects. It is allocating €2.9 billion for roads projects and €1.4 billion for rail and light rail projects. It is designating €1.5 billion for water services infrastructure and €1.4 billion for the regeneration of social housing. NAMA has committed to invest €2.2 billion over the next five years. We were told that could not be done.

Deputy Healy quoted what James Connolly said about the re-conquest of Ireland by the Irish people. That is what is happening today. The Government is taking Ireland back for every single one of its people. We need to get real and live in the world of reality. Our citizens have made huge sacrifices and endured huge pain. Every one of us can tell stories of family members, friends and fellow citizens who have suffered through emigration, unemployment and making hard decisions. I appeal to the Minister for Finance to ensure the forthcoming budget is fair. It must widen the gap between work and welfare. We cannot allow a welfare state to continue in our country. We must put a value on a job. We must give men and women who want to go out to work, and who can work, an opportunity to do so.

A woman who came into my office last week told me she lasted three days in a particular type of employment because she did not like the job and she realised she would get more money if she was unemployed. I accept that the State has a responsibility to look after people who cannot work, but are we seriously prepared to allow those who are living on welfare to be better off than those who have jobs? Is that what we want? I do not, and I am no right-wing conspiracy theorist. I want people to work. I want the Government to continue with its task of ensuring they are able to do so.

I accept that this is difficult, but our economy is on the cusp. Our people have played their part. The year 2011 was a year of growth. We returned to growth. I heard Deputy Healy speaking about the jobs issue. Private sector employment has increased by 16,900 jobs, or 1.5%. Our economy is driven by exports. Deputies should reflect on how well our exports are doing and on the perception of Ireland abroad. Those who have spoken about *Time* magazine should be honest and admit that if the President or Prime Minister of any other country was on the front of an international magazine, they would think the level of investor confidence in that country was being restored. The people of that country would collectively decide to get things back together again. That is not what happens here, however.

We need people to come to this country to invest. As the Minister said, we have a small and open economy. As Deputy Donohoe said, there are 1.8 million people working in this country. We need to get more people working. It is a huge source of concern that people's disposable income is diminishing. That is why it is so important that the budget in December is fair, just and balanced. I emphasise to the Minister of State, Deputy Brian Hayes, that those who can pay more should pay more. Today's troika briefing is just as critical. We have been portrayed as the poster boys and girls of how to get things right. We must tell our people that we are doing this. It is not easy, but it is about the future of our country. I am in politics to make sure we have an Ireland of equals and of opportunity. Many of my past pupils have gone abroad. We want to give them an opportunity to return to Ireland to live, work, invest and raise their families in a country we can be proud of.

I heard the Minister, Deputy Bruton, on the radio this morning speaking about our corporation tax rate of 12.5%, which underpins much of what we are doing right. It allows people to come in and invest. We must be allowed to continue to invest in areas like research and development. We must keep research and development companies here. As a small and open economy, we require investment. I am pleased that the substantial pharmaceutical industry in the city and county of Cork is playing a pivotal part in research and development, job creation and the payment of corporation tax. I welcome the deal that has been agreed by the Minister for Health and the pharmaceutical industry regarding the cost of drugs. I hope we can continue to make such savings - €400 million is not a small amount - in the health budget.

We are rebuilding our country. We are doing more with less, as the Minister, Deputy Quinn, said in his speech earlier this afternoon about the education sector. The same thing applies to the health sector. I pay tribute to the many men and women who are employed in the health services industry. They have done a great deal of work. They have shown that the Croke Park agreement is working. I call on the Irish Hospital Consultants Association and the HSE to get together. We need the hospital consultants to sit down with the HSE to ensure the savings and reform projects can be delivered in our hospitals. It is very important.

I would like to conclude by quoting from an e-mail I received from a small service provider - I will not name him - who employs some people. This is of relevance to what has been said about the banks and about small and medium sized enterprises. The e-mail states:

I have today received a six day demand notice from [a council] by registered post. This is a notification to take legal proceedings against our business if we do not pay the outstanding rates for the premises we have occupied since March 2012. We paid €500 in September and €500 yesterday. There is a balance of €1,426 to be paid. I am very disappointed with this threat as I have already given verbal assurances that the rates would be paid before the end of the year. As we are a young business, we are trying to manage our cash flow effectively and these types of communications are not helpful.

The person who sent me that e-mail is an employer. We have done an awful lot of good and we should do more by encouraging such people. In this context, €1,400 is a small amount of money.

We must restore our sovereignty. We must continue to raise consumer confidence if we are to get our people to spend money. We must create jobs. The budget that will be presented to this House must widen the gap between jobs and welfare. The Government is working to get jobs back to our country.

Deputy Richard Boyd Barrett: It is a positive thing that we have had this debate. Deputies on all sides need to take part in good faith in a serious debate about the desperate plight we are in and what we can do to get out of it. Most people find it pretty galling that these troika people come along every three months to tick all the boxes and tell us how well we are doing. If we are honest, we will admit that it grates on us. Regardless of the rights and wrongs of the credit the Taoiseach does or does not deserve, it does not really help the morale of the Irish people when German magazines tell us that our Taoiseach is the European of the year or when *Time* says it thinks we are wonderful. Frankly, the fact that some magazines in a country that is one of the key architects of austerity and of this country's plight want to tell us how well we are doing at a time when ordinary people are suffering does no more than rub the noses of the Irish people in it. If it is up to him, the Taoiseach would be well advised to refuse such an award. If anyone deserves an award, it is the ordinary citizens of this country who are being crushed by austerity.

I do not want to waste much time on what austerity has meant for ordinary people because we are all aware of it. As we try to chart a way out of the crisis, we must start by dealing with the people and the situation they are in. If we do not start with the people and their situation, we are guaranteed to get the issue wrong. If we start with categories such as debt, deficit and growth - economic categories - rather than starting with where the people are and what they need in order to have a civilised, dignified, decent and sustainable existence, we will get it wrong. Frankly, I believe that is part of the problem. Not just in this country but across the world for the past 25 to 30 years, we have been pursuing a philosophy that does not start with the people and what they need. There has been a doctrine that states that if profits are made, they will trickle down and it will be all right for the rest of us at some point. It has not worked. There is not really an acknowledgement of the fundamental fact that the doctrine that has been pursued almost without exception across the globe has failed catastrophically and we need to rethink. We in this country are suffering particularly badly from the consequences of that, with disastrous levels of unemployment and huge numbers of our young and talented people leaving the country. When I hear people talk about our export success, I think the biggest export out of this country - and it certainly is not a success - is our young, talented and educated people. That is a tragedy. Those are the people who would help us recover, but they are leaving. It is a failure and an indictment of our system. The cuts in public services, which are sometimes euphemistically called reform, mean that disabled people have had to sit out overnight in front of the Dáil in order to retain their personal assistants, suicide is going through the roof and despair in our society is rampant. That is the reality and the starting point of where we are at.

I put it to the Minister and - as it is not just the Irish Government - to the European leaders that the plan has not worked, however well-intentioned it might have been. I do not doubt that most of the people who pursued the strategy that has been pursued honestly believed it might work. It can be summarised as follows: bail out the banks, not particularly because we want to but because we think it is necessary to have functioning private banks in order to get the economy restarted; and pay for that with severe austerity affecting ordinary people, with the idea running behind it that if we cut costs in the economy, we will make ourselves competitive. The thinking was that these two things would lead to renewed lending and investment. We have pursued that strategy for four years and it has absolutely not worked. We have recapitalised the banks to an extraordinary extent and they are still showing no sign of lending. We have cut our costs and the result has been a contraction of our domestic economy. As the same prescription has been applied to the rest of Europe, the European economy is now contracting as well. That is a fact and even the IMF has now had to acknowledge that what it calls in its technocratic language the spillover effect and the multiplier effect have been much worse than expected. I

am not saying “I told you so”, but we said this two or three years ago, as the Minister of State knows. There should be some acknowledgement that the argument we and others, including Krugman and Stiglitz, made two or three years ago has turned out to be true, as the IMF is now admitting. The next question is, having acknowledged that the multiplier and spillover effects, which we could just call a vicious circle, have been worse than expected, is it or the Government planning to change course? The answer is “No; we are going to continue on the same road”.

An Leas-Cheann Comhairle: The Deputy has three minutes remaining.

Deputy Richard Boyd Barrett: What is the alternative to this? It is hard to explain in three minutes, but I will say this. First, the debt is unsustainable. Our debt was €25 billion in 2007. That is our debt. All the rest is odious debt which results from the crisis and the recapitalisation of the banks. We cannot pay it and we should not pay it. We should tell Angela Merkel we cannot pay it and we will not pay it, either acting unilaterally or to force her to the negotiating table, but it simply cannot be done.

The Government’s argument all along has been that, if we do this, we will be cut loose and we will be left with a €15 billion or €18 billion deficit. That is not true. The Government should own up on this one. Most of the deficit it is talking about is debt interest next year. The Government has to admit this as it is in the troika figures. Currently, our primary deficit is €3.1 billion. That is what we actually spend over what we get in tax revenue. The rest is debt interest.

Deputy Brian Hayes: So the Deputy would default.

Deputy Richard Boyd Barrett: Yes, if they will not give us a deal. We default and we are left with a deficit of €3.1 billion to cover. Can we cover a deficit of €3.1 billion? The answer is “Yes”, through progressive income taxation on wealth, on profits and on higher incomes.

Deputy Brian Hayes: Tell us then - €10 billion.

Deputy Richard Boyd Barrett: We would increase the effective tax rate on incomes over €100,000 from the current levels, ranging between 33% and 39%, to a range from 35% up to approximately 60% at the top-----

Deputy Brian Hayes: Perhaps 100%.

Deputy Richard Boyd Barrett: No; an effective rate of 60% at the top. That is more reasonable than attacking people on social welfare, the disabled or people on low incomes because, by attacking them, the Government has depressed the economy as well as pushing them into poverty. Why is it unreasonable to take €100,000 more in tax from somebody who earns €500,000 while it is not unreasonable to attack somebody who is on the poverty line? I just do not understand the logic.

Second, as I pointed out yesterday in regard to corporation tax, despite gaining €61 billion in profits last year, corporations paid only €4 billion in tax, an effective rate of 6.5%. If we enforce the 12.5% corporate tax rate, the Government will get an extra €4 billion. The Minister for Jobs, Enterprise and Employment, Deputy Bruton, responded to this by saying these allowances are for research and development and all the rest. I have the details in front of me but they are not transparent. For example, there is a €4 billion discount under the category “Other

Deductions”. Can the Minister of State explain what those other deductions are?

An Leas-Cheann Comhairle: I ask the Deputy to conclude.

Deputy Richard Boyd Barrett: Yes. A 2% wealth tax on the top 5%, excluding the family home and over a threshold of €1 million, would raise approximately €3.2 billion.

Deputy Brian Hayes: On mobile assets.

Deputy Richard Boyd Barrett: To house people in empty houses would save us €500 million in rent allowance and generate rental revenue for the State. We should assert control over the banks so they write down the unsustainable mortgages of 160,000 people who are on mortgage relief, for which they have been recapitalised, and dictate their investment and lending policies in order that money starts to go into the economy, which it has not. It is our money that the banks are refusing to invest in the economy.

Deputy Brian Hayes: If we have defaulted, no one will give us the money.

An Leas-Cheann Comhairle: Deputy Boyd Barrett must conclude.

Deputy Richard Boyd Barrett: It can be done if there is a will. Will the Government even discuss it?

An Leas-Cheann Comhairle: I call Deputy O’Mahony, who has three minutes.

Deputy John O’Mahony: I thought I had ten minutes, so I will have to pack a lot into three minutes. I welcome the opportunity to make a contribution. It is appropriate that we should discuss this in advance of the budget. In February of last year the Government was handed the most difficult task of any Administration throughout Europe. I compliment the Taoiseach, the Tánaiste, the Minister for Public Expenditure and Reform, Deputy Howlin, and the Minister of State, Deputy Hayes, who is present, for working day and night on this. We saw glee, if one likes, over the weekend, and the naysayers were out immediately. Again, I compliment the members of the Government for the work they did behind the scenes. Although they had to do it in public, they showed resolve in obtaining recognition from Chancellor Merkel and President Hollande that Ireland is a special case.

I wish to refer to a few points made by the Opposition. All of this negotiation was done against the backdrop of a Fianna Fáil-Green Party Government running for cover, throwing in the towel, telling us before the crash came that the economy was sound, that it was a blip and that there would be a soft landing. Sinn Féin is doing the opposite in the Six Counties to what they are doing in this State. When the issue of small schools was being debated in the House last year the Minister, Deputy Quinn, took some of the arguments into consideration and rowed back on some of his decisions. In the North Sinn Féin is closing schools through cuts to administration. We like to deal in facts.

Deputy Aengus Ó Snodaigh: The education budget in the North has increased.

An Leas-Cheann Comhairle: Please.

Deputy John O’Mahony: Sinn Féin is not in charge of fiscal matters in the North. That is a fact. I accept that but the party still has choices.

Deputy Aengus Ó Snodaigh: We have a bigger budget for education.

An Leas-Cheann Comhairle: Order.

Deputy John O'Mahony: Sinn Féin is still signing off on the closure of 45 schools in the North. They would love the solutions and the savings the Minister for Education and Skills, Deputy Quinn, has proposed.

Deputy Aengus Ó Snodaigh: Deputy O'Mahony has absolutely no idea what he is talking about.

Deputy John O'Mahony: Keady and Aghavilly schools in Armagh have been signed off for closure. That is a fact in the same way as the fiscal issue Deputy Ó Snodaigh raised.

I have a problem with the populist statements from some Independents who never have and never will have an opportunity to make decisions themselves. Deputy Boyd Barrett said it was hard to come up with solutions in three minutes. He has not provided any solution in the past two years since he has been a Member of the House, except populist ones that would not work. He brings people to the House every Thursday morning whom he says have been affected by cutbacks. If some of his solutions were implemented there would not be any money for them. It would not be a case of dealing with cutbacks; they would be wiped out altogether. That approach is scaremongering. It provides less confidence and results in less spending.

There is a general acceptance across the House that there is a need for growth in addition to savings and cutbacks. Agriculture could provide much of the growth. I compliment the Minister for Agriculture, Food and the Marine, Deputy Coveney, on travelling the length and breadth of this country to explain to farmers about his hopes and efforts in making alliances across Europe to guarantee the CAP budget for the next six years to take account of the opportunities that exist. I very much support his approach. I urge the Minister for Finance to take into consideration changes in agriculture that would allow for the transfer of land and farm consolidation which would make farms far more efficient, without incurring capital gains tax.

Fuel laundering is another important issue. In recent days three or four fuel laundering premises were raided and equipment was seized, saving the State approximately €40 million in lost revenue. I urge the Minister to put the necessary resources into areas that we can put to good use in the forthcoming budget.

Minister of State at the Department of Finance (Deputy Brian Hayes): I am pleased to have an opportunity to reply to the debate. The Government genuinely welcomes the debate that took place today and yesterday and the suggestions that were put forward.

Yesterday, my colleague, the Minister for Finance, Deputy Noonan, outlined recent developments in the economy and the nature of the short-term and medium-term economic challenges we face. He also outlined the Government's priorities and the actions we are taking to address the challenges. He emphasised the fundamental strengths of the economy which will enable us to grow again. I welcome the constructive input into the debate from many of the Members of the House.

In closing the debate, I wish to address some of the comments raised. First, it is important to emphasise and reiterate a couple of key messages on behalf of the Government. While the challenges ahead are not to be understated, both domestically and internationally, there is, however, a clear understanding and agreement that we in Ireland have moved into a position of stability where we are now engaged in the task of rebuilding the country. Considerable progress has

been made.

It was never the case that there was one simple magic bullet solution to the collapse of the economy from 2008 to 2010 where, in effect, 14% of GDP was wiped off the slate of this country. The solution was always going to have to be taken on an incremental basis. It is worth saying that progress is made step by step. That is the progress on which we must build to sustain the economy through these difficult and challenging times.

The progress made is well known. The eighth quarterly review of the EU-IMF financial assistance programme was successfully completed at staff level today. By our count, 160 conditions have been met by the end of the third quarter of 2012. That will clear the way for the disbursement of €2.4 billion in programme funding in the coming months. It is worth saying that the funds that come to this country as a result of the programme do not come *en bloc* on a yearly basis. They come every quarter as a result of the report that is made to the board of the IMF, the European Commission or the European Central Bank. The fund which is given to us that keeps the economy going is predicated on the report of the troika based on the progress we make. That was clear in the report issued today.

Our bond yields at all maturities have come down considerably since early summer. It is forgotten that when the Government came to office the nine-year cost of Irish paper was 15.5%. The current cost is 4.6%. The cost of German paper is approximately 1.3%, which is the level that should exist in most cases for nine-year money. However, there has been an astonishing reduction in the cost of debt from 2011 to now. We want to reduce the cost further. It is the ambition of the Government to return to the markets. This year alone more than €5.5 billion has been raised on the markets, admittedly in short-term money, but it is an important incremental step in fully re-engaging with the markets again.

An Leas-Cheann Comhairle: The Minister of State has three minutes remaining.

Deputy Brian Hayes: I apologise. I will not get a chance to read my script. Perhaps you are lucky, a Leas-Cheann Comhairle.

It is a good yardstick of the progress that has been made in a short period. Deputy Boyd Barrett said he is seeking default as an alternative approach. I heard him say in the course of the debate on the fiscal treaty that he believed it was possible to obtain an extra €10 billion in new taxes next year. I hoped he would come to the House this afternoon and set out in a clear practical way how it could be obtained. I heard a lot of noise from him and much discussion about wealth taxes, taxing those earning more than €100,000 and forgetting about everyone else but I did not hear a specific proposal. There is a responsibility on all Members of this House, be they Independents or members of small or large parties, to produce documents on what they would do in terms of tax and expenditure. It would also be useful for the fiscal council to comment on those documents in the same way it comments in a credible and coherent way on Government proposals. If we want a proper, functioning Parliament where people's views are taken seriously, they must be confronted by the reality of the situation. There must be serious engagement. I put it to all political parties to produce their pre-budget submission. We will examine them in an open and coherent way.

Deputy Aengus Ó Snodaigh: We have done it every year.

Deputy Brian Hayes: But the submissions must be credible.

Deputy Aengus Ó Snodaigh: We have done it every year.

Deputy Brian Hayes: I look forward to Sinn Féin's submission.

Deputy Aengus Ó Snodaigh: We would welcome comments from the fiscal council.

An Leas-Cheann Comhairle: The Minister of State should be allowed to speak without interruption.

Deputy Aengus Ó Snodaigh: We hope the Government will make the submission available to the fiscal council.

Deputy Brian Hayes: I genuinely look forward to Sinn Féin's submission. I note that Sinn Féin wants a wealth tax. It is an interesting proposal but it is one based on information contained in a Bank of Ireland report that is six years out of date. In making a submission Sinn Féin did not tell us about it. All I ask is that people be credible.

Deputy Aengus Ó Snodaigh: It was the Minister for Finance, Deputy Noonan, who suggested that figure.

Deputy Brian Hayes: Deputy Boyd Barrett stated he would hike up corporation profit tax. The truth is that last year some €3.9 billion was obtained on the tax side from this source. Will the Deputy double the tax or treble it? Will he raise it by four or five times? He needs to set out the rationale and the underpinning statistics. That is the challenge I give to everybody, including the Government. Let people set out what they would do differently but let them do it in a document rather than by speechifying, which is easy. Putting it down in hard numbers is more challenging but it is the very least people should expect from their parliamentarians.

Topical Issue Debate

Ambulance Service Provision

Deputy Colm Keaveney: The issue of staffing arrangements in the new ambulance base in Tuam is of concern to me and to many people in north county Galway who, for many decades, have been aware that they live outside the optimum response time zone for ambulance bases in the county. This issue was thrown into sharp relief by the recent tragedy in Tuam. I take this opportunity to sympathise with the families affected by that tragedy on Sunday.

Through discussions with paramedic staff working in Galway, I understand that only two paramedics will be assigned to the new base. This would provide for seven 12 hour shifts in a 14 day working cycle, offering three and four day blocks, with gaps of three and four over a seven day working cycle. The plan appears to fill some of the significant blocks in the roster on an *ad hoc* basis. Will the Minister of State acknowledge that this is entirely unsatisfactory? Anything less than a 24 hour, seven day week staffing of the base would be equivalent to gambling with the lives of people in my community.

Some months ago there was a near tragedy in Tuam. An emergency call was placed but no ambulance was free to attend from Galway so one was despatched from Loughrea. The response time from Galway is 25 minutes, as the Minister of State may be aware, but the time

25 October 2012

from Loughrea is 45 to 60 minutes. An ambulance coming from Loughrea which brings a patient back to Galway poses significant risk for the patient concerned. In the case I mentioned, as was also the case in the recent tragedy, off-duty paramedics living in the Tuam community attended the call after receiving an emergency call from the Garda asking them to attend the scene. It is not an unusual occurrence for off-duty emergency medical technicians to be called in, unpaid, to attend after a road traffic accident or a crisis in Tuam, comparable to that of last Sunday. I acknowledge the dedication, commitment and the action of the paramedics and the gardaí. That is important. However, the people of north Galway cannot be asked to be dependent on the goodwill of public servants in terms of their security and circumstances.

From my discussions with the paramedics in Galway, I understand the Tuam base would require 11 shifts in order to provide both 24-7 cover and relief cover to avoid overtime. A new rota for paramedics was introduced in early September. Rotas since then that were shown to me show that shifts in the county are surplus to the staffing requirements of the existing network of ambulance bases. I understand there is a particular emphasis by management to ensure that overtime is not paid in order to maintain what one might argue is a “phantom” shift. In the week ending 14 October there were 14.5 so-called phantom shifts in County Galway and in the week ending 21 October there were 15 such shifts. On the week ending 28 October there were ten shifts that might be described as available, though not in action, in the county.

Some minor amendments to the rota could allow for 24-7 cover in the new Tuam base. I understand that Galway has significant surplus capacity in shifts and that there is significant surplus capacity in the midlands and in County Mayo. Emergency medical technicians travel from Tuam to service Athlone and Mayo where there are surplus shifts in the midlands and in Castlebar.

I have no wish to make a political point using last Sunday’s tragedies but the regret I would feel returning home tonight not having spoken in the Dáil, not having reported what I believe are unavoidable situations that occur because of a lack of personnel in my community outweighs the risk of raising this issue.

When is the Minister of State prepared to convene discussions with the head of the ambulance service nationally in order to resolve the situation? Solutions are available.

Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Fergus O’Dowd): I thank Deputy Keaveney for raising this issue. Before I reply I join him in offering my personal sympathy, that of the House and of the entire country, to the family in question on the tragic loss of their children. It was a traumatic and awful event and we deeply sympathise with the family.

The National Ambulance Service, NAS, provides pre-hospital emergency care and intermediate care services, by stretcher-based inter-facility transfers, to the people. Pre-hospital emergency care is the emergency care provided to a patient before transfer to a hospital or appropriate healthcare facility. In line with commitments to a better and more efficient health service made in the programme for Government, the NAS is progressively improving and modernising emergency ambulance services. Supported by the Department of Health, the Pre-Hospital Emergency Care Council and HIQA, the NAS is providing national management and leadership, particularly in the development of two national control centres, the deployment of advanced paramedics, the move to on-duty rostering and the dynamic deployment of resources within regions.

Response times around the country vary significantly, based on the nature of the area covered and the rural-urban mix. As might be expected, response times are longer in remote areas of the country. In this context, the NAS has developed a performance improvement action plan, focused on achieving an improvement in response time performance. The NAS continues to deliver the best possible performance with the resources available. One of the key elements within this plan outlines that the service provided is not a static service but deploys its resources in a dynamic manner. The NAS therefore works on an area and national basis, rather than a local basis. The dynamic deployment of ambulance resources ensures that the nearest appropriate resource is mobilised to the location of any incident.

The emergency aeromedical service, EAS, which was initiated in June 2012, is focused on the western seaboard in order to provide aeromedical support to emergency ambulances in regard to transit times from a serious or life-threatening incident to an appropriate facility. The EAS involves the Irish Air Corps helicopter, supported by the Irish Coast Guard. Based in Custume Barracks, Athlone, the service has a dedicated helicopter with medical staff, and personnel to fly and maintain the craft. The NAS is responsible for patient care, which is provided by advanced paramedics. The Irish Coast Guard provides additional support to the EAS aircraft, using its new SAR helicopter based in Shannon. This helicopter is crewed by Coast Guard paramedics, accompanied by an NAS advanced paramedic where necessary. Accordingly, there is coverage of the entire western seaboard if required.

In regard to Tuam, emergency activity in the Galway area is reasonably static. Consequently, when Tuam ambulance station is finally commissioned, the NAS intends to use existing resources more efficiently to improve response time performance to the existing call volume. The NAS has been in continuing discussions with staff representative bodies about the introduction of tactical deployment of existing resources from existing ambulance stations to new locations such as Tuam. While such practices have been in place in other parts of the country for some time, Galway is one of a number of areas where this plan had not been progressed. However, this issue is now being progressed under the Croke Park agreement.

The NAS is committed to better utilisation of existing resources in a tactical deployment model so that Tuam ambulance station can service the north Galway area. It is hoped that this ambulance station will be commissioned and operational in the coming weeks.

Deputy Colm Keaveney: I thank the Minister of State for his response. I am cautious about using the desperate circumstances in which there was no ambulance available to bring two bodies from Tuam to Galway on Sunday last in order to highlight this matter. I am disappointed that the Minister for Health is not present to respond to my observations. I do not accept that progress is being made by management in respect of available resources in the context of ensuring a new ambulance base could be opened immediately and on a cost-neutral basis. There is categoric evidence - this is based on rosters which came into effect on 1 September - which proves that there is capacity in the system to provide for a 24 hour service in Tuam with immediate effect.

The Minister of State's reply suggests work is in progress on the possible establishment of a 24 hour ambulance station in Tuam. I welcome this, particularly as it is the first I have heard of it. I am sure this is the first time the staff have become aware that there is space within the mechanisms of the Croke Park agreement to make provision in this regard. I ask the Minister of State to take personal responsibility for this matter and invite the head of the national ambulance service to attend a round-table discussion with the elected representatives from my

25 October 2012

constituency as a matter of urgency in order that they might put forward comprehensive proof based on existing rosters that there are sufficient staff available across the ambulance service network between counties Roscommon, Mayo and Galway to put in place a 24-7 service as soon as possible.

I am not prepared to look forward to the next crisis and ask what would happen if the ambulance was not available. It is unacceptable to be obliged to pose such questions in circumstances where the requisite resources are available. I categorically state there are existing resources in the Galway area which would allow for the immediate provision of a 24 hour service. Such a service should be put in place for a community that is grieving.

Deputy Fergus O'Dowd: I again thank the Deputy for raising this matter. I will ensure his comments which will be published in the Official Report are brought to the attention of the Minister and his Department. I will ask the Minister to take on board the issues he has raised. My duty is to provide the Deputy with a response, but it is the duty of the Minister and his Department to ensure the wishes the Deputy has expressed are met. The proposition the Deputy has put forward is eminently practicable.

I reiterate that the national ambulance service has been in continuing discussions with staff representative bodies on the introduction of the tactical deployment of existing resources, from existing ambulance stations to new locations such as Tuam. While such practices have been in place in other parts of the country for some time, Galway is one of a number of areas where this issue had not been progressed. However, it is now being progressed under the Croke Park agreement. The matter is under consideration and I hope a conclusion to the satisfaction of the citizens who live in the area in question will be reached.

Sexual Offences

Deputy Luke 'Ming' Flanagan: I am gutted that the Minister for Children and Youth Affairs is not present to provide a reply in respect of the diabolical issue I wish to raise. I watched "Tonight with Vincent Browne" last night and must state I did not sleep afterwards. Mr. Browne and his guests discussed the SAVI report on sexual abuse and violence in Ireland which was published ten years ago and the work relating to which was funded by the then Department of Health and Children. The information contained in the report is horrific to say the least. What is really striking is that no one questioned whether the methodology used in the report's preparation was accurate. It is, therefore, accepted that the report which contains information which is, frankly, phenomenal is accurate.

The report indicates that one in five women, or 20.4%, reported experiencing contact sexual abuse in childhood, while a further 7.6% of all women stated they had experienced attempted or actual penetrative sex in childhood, that is, rape or attempted rape. Thus, almost one quarter of all women were sexually abused in childhood and one in 13 were subjected to rape or attempted rape in childhood. The report also shows that one in six men, or 16.2%, reported experiencing contact sexual abuse in childhood, of whom approximately one quarter reported experiencing attempted or actual penetrative sex in childhood. Overall, almost one third of women and one quarter of men reported some level of sexual abuse in childhood, that is, contact and non-contact sexual abuse. Such non-contact sexual abuse includes being exposed to pornography or actual sexual scenes.

The report further illustrates that most sexual abuse in childhood and adolescence occurs when individuals are prepubescent, with 67% of abused girls and 62% of abused boys having experienced abuse by 12 years of age. Some 36% of those who experienced sexual abuse as children now believe their abusers were also abusing other children at the time. Some 25% of those who perpetrated sexual abuse against girls were family members, 50% were non-family members who were known to those abused and another 24% were strangers. One in seven, or 14%, of those who perpetrated sexual abuse against boys was a family member, two thirds were non-family members who were known to the abused boys and one in five, or 20%, was a stranger.

We are referring to 12% of the population. One does not need to be a mathematical genius that we are potentially referring to over 500,000 people. I use the word “potentially” because we do not have accurate, up-to-date figures. The SAVI report is ten years old. It was stated on Vincent Browne’s show last night that it would cost €1 million to carry out a new study. The actual cost would be €500,000 when the Government had collected whatever taxes would be due.

Something must be done about this matter. We are holding a referendum on children’s rights and I will be voting in favour of the proposed constitutional amendment. I am delighted that the Government is facilitating the referendum. What is the point in holding a referendum to ensure the rights of children will be protected, while ignoring the fact that, as the most recent information available indicates, over 500,000 people were sexually abused as children? If that number have been sexually abused, one must ask how many abusers there are in the country. We need to tackle this matter. There is a need for a new report and I hope the Minister of State is in a position to provide good news in that regard.

Deputy Fergus O’Dowd: I thank the Deputy for raising this matter and providing me with the opportunity to outline, on behalf of the Minister for Children and Youth Affairs, the policy and services in place to deal with sexual abuse. As the Deputy stated, sexual violence has a devastating effect on victims and their families and is a serious health and human rights issue.

In March 2010 the Government launched a four year strategy to provide a framework for sustainable intervention to prevent and effectively respond to domestic, sexual and gender-based violence. Cosc, the national office for the prevention of domestic, sexual and gender-based violence, was established in 2007, under the aegis of the Department of Justice and Equality, to ensure the delivery of the Government’s strategy in dealing with such violence. The HSE launched its policy on violence of this nature in 2010. The principal actions of this policy are in line with the Government’s strategy. Recently, the national director for children and family services who has lead responsibility in this area has established a national office for domestic and sexual violence within the HSE.

The HSE funds 16 rape crisis centres, 20 crisis refuges and 17 support services, including two national representative bodies, namely, Safe Ireland and Rape Crisis Network Ireland. The total cost in this regard in 2011 was €19.182 million. Some €4.5 million was specifically provided by the HSE to fund sexual violence services in 2011. We need accurate and relevant statistics in order to ensure that the issue of sexual violence is properly reflected in health policy and subsequently addressed through the health services. The sexual abuse and violence in Ireland, SAVI, report published in 2002 was the first national study of the prevalence of childhood and adult sexual violence in a representative sample of the Irish population. Many of its results were shocking, with more than four in ten women reporting some form of sexual abuse or assault in their lifetime and more than one quarter of men reporting the same. This report was in the

main funded by Atlantic Philanthropies with some additional funding from the former Departments of Health and Children and Justice, Equality and Law Reform. In 2010 the Department of Health and Children was approached for funding to carry out a SAVI-2 study. The projected overall cost for a SAVI-2 study was just over €1 million, at €1,106,779, approximately half of which was being sought from the Department of Health and Children, amounting to €500,000 over the three years 2010 to 2012. At this juncture, officials in the Department pointed out that the allocation of funding had transferred to the HSE which was subject to significant budgetary constraints in 2011. As these constraints are ongoing, neither the Department of Health nor the HSE is currently in a position to support a SAVI-2 study. However, statistics are available from two national databases.

The Rape Crisis Network Ireland is the national representative body for 14 rape crisis centres. It operates a data collection system specifically designed to collect information from front-line services dedicated to working with survivors of sexual violence. These statistics have been published since 2004. Safe Ireland is the national representative body for 39 women's front-line domestic violence services. It has been compiling national statistics relating to the number of women and children accessing their members' services since 2008.

I wish to reassure the Deputy that while we are not in a position to fund this study, the Government is fully committed to addressing the problem of sexual violence and will draw on available up-to-date statistics on the subject in order to inform its policies and services.

Deputy Luke 'Ming' Flanagan: That is not a satisfactory answer nor will it deal with this issue. I come from a national school that was ravaged by sexual abuse. I come from a town that was ravaged by sexual abuse. I come from County Roscommon and we now have the name of the Roscommon case. We give the impression we really care but if we do not take this issue seriously it is nothing other than crocodile tears. When I lived in Galway the apartments I lived in were built on the old grounds of the laundries. I remember hearing about what was there beforehand. I got talking to some older people and they told me about how everyone knew this was going on. That has been said about much of the abuse that happened.

Now we know all of this sexual abuse is happening. We do not know the extent of it because the Government will not fund an up-to-date study, even though the Dublin Rape Crisis Centre has asked on several occasions for it to be done. We need to take this issue seriously. In order to take the issue seriously, no more than if one wants to take seriously the issue of speeding one needs a speedometer in the car to show the speed of the car. In the same way, if the Government wants to do something about this situation it will need the facts. The Dublin Rape Crisis Centre would not be asking for another study to be funded if it thought the current studies were adequate.

The Minister of State's reply is not reassuring. It is very worrying that the Government is not willing to provide the funding. In my view it shows the Government is trying to bury its head in the sand. I will vote for the children's referendum but what use will it be? We will end up with children with rights who are hungry and if they are sexually abused we will not know about it. What sort of right is that?

Deputy Fergus O'Dowd: I thank Deputy Flanagan for raising those points in his supplementary contribution. I acknowledge and appreciate the trauma he feels as a representative of County Roscommon. We all feel the same because any child abused anywhere, in any constituency, in any home, is one too many. I concur fully with him that action needs to be taken and

I believe it is being taken.

The HSE published its policy on domestic violence in 2007. The principal actions are integrated into a national strategy which is being funded to a significant extent. The national director for children and family services has lead responsibility for the implementation of this policy and actions within the national strategy on domestic, sexual and gender-based violence. In order to assist in this task, the national director has established a national office for domestic and sexual violence within the children and family service. The office is staffed by senior managers whose brief is to ensure that all HSE and HSE-funded services are operated within the integrated strategy. As I stated earlier, services to victims of domestic, sexual and gender-based violence, including 20 crisis refuges, 27 domestic violence support services and 16 rape crisis centres, are funded to the order of €20 million annually. I agree we need to spend more. The 20 refuges received €10.435 million in 2011. Every HSE region has at least one such centre providing crisis emergency accommodation. The majority of the centres are accessible on a 24-hour basis.

A national regional review of domestic violence is under way. The aim of this review is to ensure that funding is allocated according to needs. Areas of high demand are appropriately resourced. The review will highlight any inequities, gaps and duplication. This service review is ongoing and is being conducted by the HSE in each of the four regions at different stages of progression. It is hoped this review will be concluded in October this year.

Negative Equity Mortgages Numbers

Deputy Paschal Donohoe: I refer to an e-mail I received from a constituent which is representative of a common situation. The constituent bought a two-bedroomed apartment for €420,000 in 2006. A first child was born in 2009 and a second child was born in 2011. This apartment is now valued at €169,000. This is a stark illustration of the burden that negative equity places on many people. Despite the difficulty of being in negative equity, this couple can still pay the mortgage with difficulty. They could pay another mortgage but they remain living in an apartment that is far too small for the needs of their family. They are in a trap. They cannot sell the apartment, nor do they wish to do so. However, if they decide to rent out the apartment in order to cover the cost of the mortgage and then rent or buy a home, either a house or a large apartment for their family, a number of things will happen. If they buy a second property, the Revenue Commissioners will classify the first property as an investment property. They will lose tax relief at source on the original property. The second property is then regarded as a second home and is liable to the second-home tax. They can afford to cover the rent on a second house or a larger property but they are then classified as investors by the tax system while they are anything but that. They are just looking to find a home for their family. This is a stark example of the difficulty being created by the tax system for people already bearing a very significant burden of a mortgage and negative equity. I ask the Minister of State what can be done to create imaginative arrangements to accommodate those who are looking to change home.

5 o'clock

While they would be able to bear the cost, the tax system acts as a barrier to taking this step. I ask the Minister of State to give some thought to addressing this issue creatively to accommodate people who can afford to move to homes of an appropriate size and with appropriate facilities to raise their families but require some support from the system if they are to do so.

25 October 2012

Minister of State at the Department of Finance(Deputy Brian Hayes): I thank Deputy Donohue for raising this matter on which the Minister for Finance has asked me to respond. The Deputy is correct that to qualify for mortgage interest relief an applicant must live in the property and may not rent it out. Those in receipt of mortgage interest relief who choose to rent out a property immediately lose the relief. I would be interested to learn when the mortgages to which the Deputy refers were taken out. As he will be aware, the maximum period for which one can obtain mortgage interest relief is now seven years. If, in the cases to which the Deputy refers, the individuals took out a mortgage five years ago, they will receive mortgage interest relief for only two more years.

As the Deputy is also aware, in last year's budget the Government introduced an increase in support through mortgage interest relief to help people who purchased a property between 2004 and 2008. Perhaps the Deputy will clarify when the persons to whom he refers purchased their homes. If, for instance, they purchased their homes five years ago, they will only receive mortgage interest relief for a further two years and it would not make a significant difference if they were to lose it at this stage. If they purchased their homes between 2004 and 2008, I presume they will be in receipt of the maximum relief of 30%, which was introduced by the Minister for Finance last year.

I will skirt through the written reply provided. Mortgage holders who are in difficulty with their mortgage obligations in respect of their primary residence have significant protections available to them under the Central Bank's code of conduct on mortgage arrears. The banks have signed up and are obliged to enforce the code of conduct. In addition, in October 2012 the Government published the report of the interdepartmental working group on mortgage arrears, known as the Keane report.

The Government remains committed to progress measures to assist genuine mortgage holders in difficulty and the Government committee on mortgage arrears, which is chaired by the Taoiseach, continues to meet. It is the intention of Government to ensure that those mortgage holders in genuine difficulty will receive appropriate assistance and a high priority has been assigned by Government to the implementation of this broad range of measures to assist those experiencing difficulty on their mortgage across the relevant Departments and agencies.

With specific reference to mortgage interest relief, as the Deputy will be aware, the relief is available at varying rates and subject to certain ceilings in respect of interest paid by an individual on a loan used by that individual for the purchase, repair, development or improvement of his or her sole or main residence. The Government is committed to helping address the particular problems faced by those who bought homes at the height of the property boom between 2004 and 2008. Mortgage holders qualify for the increased rate of 30% if they made their first mortgage interest payment in the period from 2004 to 2008.

Mortgage interest relief for principal private residences will no longer be available to house purchasers who purchase after the end of 2012 and will be fully abolished from 2018. This means the loan will have to be drawn down by 31 December 2012 to qualify for this relief.

Given the current budgetary constraints, the Minister for Finance has no plans to widen the scope of the relief to cater for people who are renting out their property, as the measure would become less targeted and very costly. However, it should be noted that an individual who rents out his or her residential property may be allowed a deduction, subject to certain conditions, in computing the taxable rents from that letting of 75% of the interest accruing on money bor-

rowed to purchase, improve or repair that property. In arriving at the profit rent for tax purposes, 75% of the interest paid may be set against the gross rent. However, it should also be noted that where the landlord has not complied with the registration requirements of the Private Residential Tenancies Board in relation to all tenancies that existed in the particular premises for the relevant tax years, none of the interest paid may be set against the gross amount.

As the Deputy will appreciate, the Minister for Finance receives numerous requests for the introduction of new tax reliefs and the extension of existing reliefs every year. He will also appreciate that the Minister must be mindful of the public finances and the many demands on the Exchequer. Tax reliefs, no matter how worthwhile in themselves, reduce the tax base and make general reform of the tax system that much more difficult.

Deputy Paschal Donohoe: What are we to do? We have young people, married and unmarried, with young children who want to have more children but are living in one or two bedroom apartments they purchased at the height of the property boom. The tax code makes it difficult for them to rent accommodation appropriate to the size of their family. While I understand the pressure on the public finances, this is none the less a large group of people who find themselves in a horribly difficult position.

The Minister of State indicated that widening the scope of the current relief would make the measure “less targeted and very costly”. While I accept it would be costly, I do not accept it would be less targeted because I am asking that it be targeted at a specific group, namely, families who wish to move out of apartment dwellings but cannot do so without being classified as investors. I have raised this issue elsewhere and I ask that the Minister give it careful consideration.

Deputy Brian Hayes: I thank Deputy Donohoe for raising this significant issue and highlighting the circumstances in which people have been caught which prevents them from selling their property. To answer his question on what can be done, the banks would have ultimately to write down the loss in circumstances of catastrophic non-failure, but in the cases in question the individuals are meeting their obligations and paying their way. As a consequence, they do not fall within the group for which the Keane report proposes to provide protection.

Questions would also need to be posed about any measure taken to address this matter. For example, how many children or bedrooms would someone need to have to qualify under any new scheme? What would be required to make a scheme sufficiently targeted so as to help the group in question? Ultimately, however, someone would have to write off the loss.

As the Deputy knows, the Central Bank is in discussions with the banks about a range of new products which they must make available as part of the implementation of the recommendations of the Keane report. This issue should form part of a subset of these recommendations in order that we can unlock the potential of the people in question and allow them to move on to larger properties to meet the needs of their growing families. The solution may be for banks to show a little imagination and allow them, for example, to bring their debt or a portion thereof with them if they move home. In this regard, the Government has already proposed split and renting mortgages.

The Minister for Finance has indicated that it is difficult to confine the scope of measures taken on the tax side. However, we have an open mind on this issue and if a serious proposal were developed, I would bring it to the attention of the Minister. From what I have read about

25 October 2012

this matter, the solution lies with the banks encouraging people to move on. In the United Kingdom, people in negative equity have been able to take their mortgage with them in circumstances where they want to move elsewhere in the country and purchase another property. Perhaps this is the type of solution we should consider, rather than one that is tax driven. I concur with the Deputy that this is an important issue. We have an open mind on how to solve it.

Departmental Investigations

Deputy Michael Moynihan: The issue I raise is extremely important, especially in the Duhallow area of north Cork. I need not inform anyone about the horrendous weather conditions we experienced over the summer months and the difficulties they created for the farming community. These difficulties persist as farmers seek to provide fodder for cattle over the winter. On 12 July during Leaders' Questions I asked that the Government examine the ground inspections process carried out by the Department and suggested it take a commonsense approach to the inspections that are carried out in the normal course of events for cross-compliance and other reasons. I am disappointed a Minister from the Department of Agriculture, Food and the Marine is not present to take the question, but I hope the Minister of State, Deputy Hayes, will convey my serious concern about this matter to the Minister. I have grave concern not alone for the financial and physical well-being of the farming community, especially in my area, but also for their mental well-being because they are under great pressure.

Last weekend and the weekend before that a number of people came to me about satellite inspections that took place on the ground that they would have submitted as part of their single farm payment application. As the satellite identified a rush cover on the land, the Department sent out inspectors who found rushes on the land and subsequently fined farmers 20%, 30% or 50% depending on the payment they receive. One farmer, who has rheumatoid arthritis and has been in hospital almost at death's door, was told of a fine last Friday.

As I stated on 12 July, this land cannot be travelled over other than by helicopter or other aircraft because it is saturated with water. For the Department of Agriculture, Food and the Marine to inspect the ground and fine farmers on single farm payment or disadvantaged areas payment because the rush cover is not cut off is beyond ridiculous. I had discussions on this matter with Department officials in the past two weeks and I am frustrated by the situation. The farmers affected by this issue are genuine. In negotiations sometimes there are cowboy farmers but 99.9% of farmers are genuine operators. It beggars belief that the Department would send out inspectors to check if there is rush cover on this land. The weather broke on 7 April and not since the middle of May was this land fit for travelling on. As anyone dealing with a farming community would know, it is during the summer months that this land would be cut.

I have serious cases on my books regarding this matter. I do not bring it to the House lightly but I am appalled by what is going on. I appeal to the Minister for Agriculture, Food and the Marine and his officials to re-examine this matter and take a commonsensical approach because the evidence I saw in terms of inspections and penalising farmers, especially in the past two weeks, is nothing short of draconian.

Deputy Brian Hayes: I thank the Deputy for raising this matter. The Minister is acutely aware of the difficulties being experienced by farmers as a result of the prolonged adverse weather conditions in the current year. In so far as the direct aid related inspection regime is concerned, his Department is required to carry out a mandatory range of inspections to meet

European Union requirements. In carrying out these responsibilities, however, which must be done to a standard which meets EU audit requirements to protect the drawdown of the significant funding involved, every effort is made to take account of the realities of farming and, in particular, the effects of the pattern of bad weather experienced this year.

The next paragraphs of my script sets out the importance of the direct payments scheme which I will not read out as we all know about that. I am taking that as read, as it were.

I now come to the net issue the Deputy has correctly raised. On behalf of the Minister, Deputy Coveney, I will give the House an overview of the nature of the inspection regime. The Department of Agriculture, Food and the Marine, in the context of delivering the single payment scheme, the disadvantaged areas scheme and other area-based schemes, is required to carry out annual inspections covering both the eligibility of the land declared to draw down payments and also cross-compliance aspects to ensure compliance with EU regulatory requirements in the areas of public, animal and plant health, the environment and animal welfare. These inspections are mandatory and certain minimum numbers and types of inspections must take place annually.

Land eligibility checks must be carried out on 5% of applicants. These checks are carried out to verify the actual area claimed in the application form corresponds to the area farmed by the farmer and to ensure any ineligible land or features are not included for aid purposes. The Department has made every effort to respond to concerns about the impact of on-the-ground inspections on farmers and, arising from that, up to two thirds of these inspections are initially carried out without a farm visit as the information is verified using the technique of remote sensing via satellite.

The rate of inspections for cross-compliance is 1% of applicants to whom the statutory management requirements and good agricultural condition apply. However, 3% of farmers must be inspected under the bovine identification and registration requirements while 3% of sheep or goat farmers must be inspected covering 5% of the flock. It is a recognised principle of the direct aid regime that it serves broader public good objectives and contributes to the maintenance of the rural environment. These inspections are thus necessary to verify these objectives are being met.

On the timing of inspections, the overall annual inspection cycle can only commence following completion of a structured risk analysis selection process which includes the analysis and evaluation of data from the previous year's inspections. Eligibility inspections, as such, can only commence following the initial stages of processing of the current year's single payment scheme applications.

To be eligible to draw down EU funding, it is a requirement that all land eligibility inspections must take place before any payments can issue to any farmer in the country in a given year. While cross-compliance inspections can be carried out after payment has been made, it is a regulatory requirement that this category of inspection must take place throughout the calendar year to take account of specific requirements at individual statutory management requirement level. In so far as possible, the various categories of inspections are integrated with a view to avoiding more than one visit to a farm. There are also inter-agency agreements in place, for example, with local authorities, to facilitate this approach. In terms of delivery of on-the-ground inspections, all the Department's inspecting officers are very experienced and are trained to carry out inspections in a professional manner.

25 October 2012

Deputy Michael Moynihan: I thank the Minister of State for reading that information into the record of the House. We understand all of that. This is a desperately serious situation in the first instance because of the weather, which we understand is out of everyone's control. What we need now is for the Department to adopt a commonsensical approach. In terms of inspections, inspectors are examining land to determine if it is eligible for grant aid, if it is used for agricultural land or maintained using good farming practices, that is, the rushes are topped off. In all sincerity, since the middle of May of this year, the land in question, which is black in nature with poor drainage, has not been in a fit state to be travelled on. The farmers who came to me would normally top this land two or three times a year. Some of the drier land has not been touched or silage harvested off it, even at this late stage.

I raise this issue because of two cases of which I became aware last week. To impose a penalty because the rush cover was not cut off the land bordered on criminality. The two cases I saw were crazy, and I have seen many more cases. I want the Minister of State to convey to the Minister for Agriculture, Food and the Marine and his officials that they must not compound the crisis facing agriculture. There are major issues for these people in terms of their mental health and their financial well-being, but to compound that by having on-the-spot checks and imposing fines of €1,000, €2,000 or €3,000, depending on the size of their single farm payment, for something that is out of their control is wrong. That is the only income they will have this year because of the weather. I ask the Minister of State, Deputy Hayes, to convey to the Department my concern about this issue and for the well-being of farmers affected by it.

In his written reply the Minister brought to the attention of the House regulations allowing the spreading of slurry to 31 October. This is the first dry week we have had since the first week of September. Will the Minister of State ask both the Departments of Agriculture, Food and the Marine and the Environment, Community and Local Government to extend the period into the middle of November?

Deputy Brian Hayes: I do not pretend to be an expert in this matter and I defer to Deputy Michael Moynihan's knowledge in this area. I give him my word that I will raise this matter with the Minister for Agriculture, Food and the Marine who cannot unfortunately be here this evening. It is true to say the weather this year has been atrocious, circumstances which have made it ten times more difficult for farming than in an average year. I know that from my knowledge of the flooding issue with which we are dealing in my Department.

It would seem from the reply, however, that the drawdown for the scheme is predicated on a very strict inspection regime. The Deputy is seeking flexibility in this regard. I will ask the Minister to revert to him on that matter, given the difficulties farmers face and the necessity for a flexible approach in the matter.

Deputy Michael Moynihan: Some flexibility must be shown.

Ceisteanna - Questions

Priority Questions

Children and Family Services

1. **Deputy Robert Troy** asked the Minister for Children and Youth Affairs the resource implications of making her aspirations for children's rights a reality; the way she intends to ensure the necessary resources are available; and if she will make a statement on the matter. [46939/12]

Minister for Children and Youth Affairs (Deputy Frances Fitzgerald)(Deputy Frances Fitzgerald): The purpose of the proposed constitutional amendment is to recognise children in their own right within the Constitution. It also acknowledges that each child enjoys rights and deserves certain protections from the State by virtue of the fact that, as a child, he or she is vulnerable. The referendum will not address all wider issues that impact on children.

This referendum is the fundamental backdrop to the wider programme for change for children being pursued by the Government. These reforms focus on intervention to ensure the safety and welfare of children and to ensure that child protection services can respond proportionately to all child protection concerns. Central to the programme for change for children is the plan to take child protection services out of the Health Service Executive, HSE, and establish a new dedicated child and family support agency. This agency will be fully operational in 2013 and will mean a move to a situation where child and family welfare will be the sole focus of a single dedicated agency, overseen by a single dedicated Department.

The report of the taskforce, which I set up to advise on how to best organise services for children, was published in July. Its report maps out an executive agenda for the development of services so that we can do the very best for parents, children and families. Ahead of the establishment of the new agency, an additional €21 million in funding has been made available to the HSE child and family services in 2012, reflecting the priority attached by the Government to the reform of child welfare and protection services.

Since February 2011, there has been an increase of 69 whole-time equivalents and 86 individual child and family social workers with an increase in the proportion of children with an allocated social worker.

Additional information not given on the floor of the House

Since taking office last year, it has been evident to me that there is a particular need to improve the quality and accuracy of information available from the HSE in child protection services, together with a need to provide more timely and meaningful information. The introduction of the national child care information system, NCCIS, will help to greatly improve performance in this area. I am pleased to say good progress is being made by the HSE with regard to the introduction of this system, which will help to significantly improve the level, quality and accessibility of information in respect of children and family services.

The matter of resources for services to children will be considered by the Government in the context of the overall budgetary arrangements for 2013. While it is not open to me, in that context, to pre-empt decisions to be made by Government, I would point out that the Government continues to invest very significantly in services for children across a range of areas. The Government will continue this approach, to the greatest possible extent, in dealing with the serious financial challenges facing the country overall.

Deputy Robert Troy: I thank the Minister for her reply. She knows all Members support the referendum on children's rights. Earlier, we were all across in the playground in the Mer-

25 October 2012

rion Square park calling for support of the referendum. While it is an important step in recognising children's rights, it is not a panacea. Since my appointment as my party's spokesperson on children and youth affairs, I have sought clarification on funding and resources for child services on numerous occasions.

I assume when the Minister was drafting the constitutional amendment, she engaged with other Departments to ascertain what resource implications the referendum would involve. Will she make available any information she may have on this? On Wednesday the Minister told the Law Society about the importance of family support and the need for adequate resources being made available for it. If the referendum is carried and the attendant adoption legislation is passed, hundreds of children will be able to apply for adoptions. Will additional resources be made available to meet these demands? Will the required personnel and social workers be in place to ensure the voice of the child is heard? Will the foster care payment be maintained for fostered children who may be adopted? If the foster payment is maintained, the children involved will no longer need a social worker. Such persons could then be redeployed to front-line services where they are crucially needed.

Deputy Frances Fitzgerald: As I have often said, the referendum is one aspect of our serious intentions to deliver on children's rights and services. The broader issue is how we deliver services and available funding. That is why I was pleased to get the additional moneys last year, such as the extra €13 million to provide an early intervention family support system for all three and four year olds. The National Education Welfare Board got an extra €1 million as it is important we identify those children who are not attending school to ensure supports are made available to them at an early stage. The overall extra funding of €21 million I got from the Government went into the areas outlined by Deputy Troy.

I am focused on ensuring people are aware the referendum is happening and they have the information to understand its provisions. The Deputy is correct that various agencies such as the Adoption Authority will have extra work to do if the referendum is passed. It is also important we examine the reforms needed to deliver services more effectively. I have inherited a very inconsistent child protection service across the country. If we manage the reforms properly and provide a national service in which families are appropriately supported and receive, as the referendum states, proportionate intervention at an early stage, many cases will not become child protection issues. I have outlined my significant reform programmes with which the HSE is involved. The proper use of resources is key. There will be ongoing assessment of the level of demand for these services. All Departments are facing a very difficult financial situation. While my Department is not immune to this, with proper reform, services can be delivered more effectively.

Acting Chairman (Deputy Peter Mathews): Will Members be as tight as they can in their questioning, otherwise we will go out of time control?

Deputy Mattie McGrath: Will we have to be as tight as the Minister for Finance?

Bullying of Children

2. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Children and Youth Affairs if she has or will engage with the Department of Health and the Department of Education and Skills on the issue of school bullying of children by children and the grave implications of this

targeted abuse on the mental health of young persons in their youth years and in later life; and if she will make a statement on the matter. [46903/12]

(Deputy Frances Fitzgerald): The scale of bullying in Ireland remains a matter of grave concern. This is borne out by recent research findings. My Department's Growing Up in Ireland study found that more than 24% of nine to 17 year olds have reported being bullied. The Anti-Bullying Centre in Trinity College Dublin has found one in four girls and one in six boys have been involved in cyberbullying either as a victim, bully or both. Research commissioned by the Gay and Lesbian Equality Network, GLEN, and BeLonG To on the experiences of young lesbian, gay, bisexual and transgender, LGBT, people in Irish schools has found that 58% reported the existence of homophobic bullying.

Deputy Ó Caoláin and I, as well as every other Member, are aware of the terrible and corrosive effects of a bullying culture on our children and young people. These effects relates to their confidence, learning outcomes, self-esteem and mental health and they can last for years. Sadly, in some case they can result in the loss of young lives. In recent times we have learned of several tragic cases involving bullying. On behalf of the Government and on my own behalf I extend my sympathies to the families and friends of the young people who have died.

As Minister for Children and Youth Affairs I am committed to working with colleagues in government to ensure that integrated policy responses to combat bullying are high on our agenda. The new Children First guidelines, which I published last year, recognise for the first time the problem of bullying. Earlier this year the Minister for Education and Skills, Deputy Quinn, and I hosted the first national anti-bullying forum to bring relevant stakeholders together. This was a great opportunity to bring together people who are working to address the issue, to explore how best to tackle bullying in schools and to consider the strategies and practices required to address new challenges associated with modern communications technologies.

The Education (Welfare) Act 2000 obliges all schools to have a code of behaviour. I call on schools to redouble their efforts to address the problems of bullying.

Additional information not given on the floor of the House

I commend the work of the National Centre for Technology in Education on responding to the rise of cyber-bullying. I encourage parents, teachers, young people or anybody else with concerns about cyber-bullying to visit the website, www.webwise.ie, and I call on Members to help promote this website in their constituencies.

It is my intention to ensure that the actions recommended by the national anti-bullying forum working group and other measures to respond to bullying will be prioritised in the new children and young people's policy framework being prepared by my Department. As part of the preparations of the children and young people policy framework I have received a detailed submission on the issue of bullying from the anti-bullying centre in Trinity College and this is under review by my Department.

Deputy Caoimhghín Ó Caoláin: I thank the Minister for her reply. I wish to clarify one point in respect of the strategy. Did the Minister state that it obliges schools? Sadly, the evidence suggests that the address of this issue is most often down to the individual penchant of the school principal. We need something a good deal stronger to provide for where there is not sufficient or worthwhile compliance to what amounts only to a request. We need to make this central to our address of this serious problem.

I recognise that youth mental health is a critical issue that impinges not only on the wellbeing of young people in their young lives but it will impact on them throughout their lifetimes. We have seen not only the tragedies to which the Minister referred but some high profile international instances, not least the case of Phoebe Prince, a young Irish girl who died tragically in the United States, and the most recent case highlighted in County Leitrim. Many lives have been seriously stunted, impaired or crippled by these experiences. We will never know the real number of tragically lost lives attributable to school bullying. Many of the situations where young lives are lost do not highlight the issues and it is not easy to establish the backdrop to the series of tragic incidents that present throughout this island on almost a weekly basis.

The Minister indicated she was taking an initiative in conjunction with the Minister for Education and Skills. How does the Minister propose to progress it? Will there be any examination of international best practice? The Scandinavian countries are often pointed to as good global examples but there are also examples here at home. Has there been any consideration of them? The Minister made mention of the anti-bullying centre in Trinity College, Headstrong and Dr. Tony Bates, who recently addressed Deputies.

Acting Chairman (Deputy Peter Mathews): The Minister will have little time to answer.

Deputy Caoimhghín Ó Caoláin: However, there are also community examples addressing this particular concern. I highlight the Erris community development project in County Mayo which launched an important, worthwhile and successful initiative earlier this year.

Acting Chairman (Deputy Peter Mathews): Deputy, you have left the Minister only 40 seconds to reply.

Deputy Frances Fitzgerald: The Education (Welfare) Act 2000 obliges all schools to have a code of behaviour. The National Educational Welfare Board, which comes under the remit of my Department, has issued guidelines requiring each school to have policies to address bullying and schools must make it clear in their code of behaviour that bullying is unacceptable. Compliance by schools with this NEWB requirement is now inspected by the Department of Education and Skills inspectorate during whole school evaluations. The Department and the National Educational Welfare Board could not be clearer about the advice, guidelines and direction to schools in this regard. The guidelines document, which has been sent to all schools states:

The Board of Management of a school must have policies to prevent or address bullying and harassment.

Schools must make clear in their code of behaviour that bullying is unacceptable. Teachers have a professional duty of care to address bullying and the Department of Education and Science reinforces this duty in requiring schools to have anti-bullying policies.

As well as making explicit that bullying is prohibited in the school, and having an anti-bullying policy, the code of behaviour should say what action the school will take in relation to alleged breaches of the schools bullying policy. Templates and guidance on anti-bullying policies are available from the Department of Education and Science.

The anti-bullying forum will examine international practice. It is working with representatives from the NGO community as well as officials on a cross-departmental basis to develop a strong set of recommendations on how to further tackle this serious issue which affects so many children.

Acting Chairman (Deputy Peter Mathews): I remind Deputies that there are two minutes allocated to reply formally and four minutes for a supplementary question and answer. I will be tighter the next time.

Deputy Caoimhghín Ó Caoláin: We appreciate the Chair's discretion.

Foster Care Provision

3. **Deputy Mattie McGrath** asked the Minister for Children and Youth Affairs her plans to introduce measures to compensate foster carers in respect of deliberate damage caused to their property by a foster child, when such damage is not covered by home insurance due to the deliberate nature of the damage; if her attention has been drawn to the fact that the Health Service Executive has for many years informed carers that they could make such claims from their house insurer if they had informed their insurer they were foster carers when in fact no such cover was available; and if she will make a statement on the matter. [46901/12]

Deputy Frances Fitzgerald: The HSE has advised me that all foster carers are covered by an indemnity insurance scheme. The policy provides indemnity to the individual foster carers while engaged in the fostering of children under schemes operated by the HSE. The indemnity provided is restricted to legal liability for accidental third party bodily injury or third party property damage arising from their activities as foster carers. The HSE has in place a procedure whereby foster carers are informed of this insurance cover when they apply and that it does not cover their private property. Damage to property by a foster child will be considered by the HSE on a case-by-case basis and may include some financial compensation.

In August 2012 there were 6,000 children in the care of the State, some 5,739 of whom were in foster care. A total of 1,803 of these children were placed with relatives.

While individual problems may occur from time to time it is not the case that children in foster care lead chaotic lives or that a significant cohort are prone to engaging in risk-taking or violent behaviour. In reality, the vast majority of children in foster care are in stable placements and in this country we are fortunate that so many children in care are being looked after by foster parents. The Deputy will be aware that the national standards for foster care serve as a basis for consistently promoting quality of care in the foster care services. The Health Information and Quality Authority inspects foster care services on an ongoing basis and publishes reports on the standards. The standards provide that an assessment of the needs of each child or young person is made prior to any placement. Supports are available to foster parents from the local child and family service if there are any difficulties. Prospective foster carers or applicants undergo an assessment and training process to establish their suitability and competence as future foster carers to prepare them for the role and what to expect.

A significant range of supports is available to encourage the provision of foster care. Individual cases can be considered by the HSE and it is open to those who are dissatisfied to use the HSE's statutory complaints procedure to have an independent review of any issue.

Deputy Mattie McGrath: I thank the Minister for her reply and compliment her on her work to date in the portfolio. I fully agree with what she said about the standard and professionalism of all the family carers, especially those who are high support carers for very special cases. I am not suggesting in my question that there are many incidents, but there always are

a few. I am talking about a case of which I know where, because of an incident, there was considerable deliberate and malicious damage done which the foster parents could not afford.

The real issue, which varies from area to area in the HSE, is that the HSE has been informing foster carers that if they tell their insurance company when they are insuring their home that they have foster children, they will get cover. That is untrue. For the foster carer in the case I am talking about, where there were two major episodes which resulted in significant damage being done and considerable trauma caused for the foster child as well as for the family and the other foster children, if that carer were to make a claim, they would have to commit fraud. They would have to make a claim fraudulently to the HSE by falsely filling out the form stating the damage was done accidentally. If it was done deliberately, they would not get cover. We all know the nuances of insurance, whether motor insurance or whatever. The insurance companies will get out of it for whatever reason.

Obviously, times have moved on. I am talking about a case that has been ongoing for years. While the Minister stated there is a dedicated agency and a dedicated Department, I look forward to it. All has not been 100%, or anything like it, in HSE area districts in dealing with these issues.

Foster carers give splendid treatment to children, for the good of the children and for no financial gain. They want to do so. It is their passion and they do it professionally. Where there are incidents, however, there should be redress.

Deputy Frances Fitzgerald: I suggest that Deputy Mattie McGrath write to me specifically on that case rather than try to deal with it in the House by way of parliamentary question. I would be willing to take up the case and examine it. The series of events he describes sound very unfortunate. If such a situation arises for householders, they would most likely have to cover the damage themselves and it is not any different with foster families. There is third party indemnity, which I explained to the Deputy. Each case can be looked at individually, and if there are ongoing issues in that case, I would be willing to have them examined and revert to the Deputy.

Deputy Mattie McGrath: I will write to the Minister.

Acting Chairman (Deputy Peter Mathews): I thank Deputy Mattie McGrath. That was neat and tidy. I like that.

Deputy Mattie McGrath: I thank the Acting Chairman. He is a neat and tidy Acting Chairman.

Adoption Legislation

4. **Deputy Robert Troy** asked the Minister for Children and Youth Affairs her plans for the Adoption (Information and Tracing) Bill; the key measures likely to be contained in the legislation; and if she will make a statement on the matter. [46940/12]

(Deputy Frances Fitzgerald): I assure Deputy Troy that the adoption (information and tracing) Bill continues to be a priority of mine. The drafting of the heads of Bill is well advanced in my Department and consideration of the policy issues on all aspects of the proposed Bill is ongoing. As I stated previously in the House, it is intended that the legislation would

provide for a structured and regulated way of safeguarding adoption records and providing access to adoption information as much as possible.

It is intended that the heads of Bill would provide for the Adoption Authority of Ireland to have responsibility for the safeguarding and maintenance of all adoption records in the State. This would include the establishment of a register of all relevant records held in various locations which would be maintained by the adoption authority. This is urgent and I cannot understand why it has not been done previously. It makes it very difficult for those who are trying to trace. Different standards are applied and there are different practices. The measures I will have in this Bill to bring those records together in one place are the right way to go.

It is also intended that the heads of Bill would provide that the authority would have responsibility for ensuring that access to these records was provided to an adopted person or to a birth parent, in accordance with the Bill. As all persons have a constitutional right to privacy, it is envisaged that there may be some restrictions on the information that could be made available without the consent of the parties involved. I have been in ongoing discussions with the Attorney General on this issue and I will take this tracing service as far as I possibly can within the constitutional constraints.

It is also intended that the Bill will establish the National Adoption Contact Preference Register on a statutory basis in order that adopted persons, birth parents and others separated as a consequence of an adoption will have access to the tracing and information service.

Additional information not given on the floor of the House

The National Adoption Contact Register was established in 2005 to assist adopted persons and their natural families to contact each other, exchange information or state their contact preferences. The applicants decide, through a range of information and contact options, how they wish to proceed. It is also intended to establish a national tracing service on a statutory basis to assist persons who have been separated by adoption and are seeking assistance in tracing or contacting with relatives. It is intended also to provide the tracing service to persons who have been separated as a consequence of an informal arrangement, for example, in the case of an informal or unlawful birth registration where no actual adoption took place.

The draft heads of the Bill will be submitted to Government for approval prior to commencing the drafting of the legislation. I hope to publish the Bill as soon as possible having regard to the current priority workload relating to the children's referendum, the adoption (amendment) Bill, and the child and family support agency Bill.

Deputy Robert Troy: I thank the Minister for her reply. I am glad that she has re-emphasised her priority in this regard because this is legislation that affects between 45,000 and 50,000 people and it is quite important. It is legislation the Minister promised on assuming office 18 months ago. When we talk about giving children rights in the context of the children's referendum, a child's key right is the right to his or her identity. This is something that needs to be prioritised.

I welcome the Minister's frank reply but would respond with one simple supplementary question. When will we see heads of the Bill coming before the Dáil in order that my colleagues and I will have an opportunity to examine them in detail and in order that the many who are affected by this and are waiting on it will have an opportunity to look at them and propose amendments, all of which will ensure this much needed legislation is brought through the

Houses of the Oireachtas?

Deputy Frances Fitzgerald: The staff of my Department have been doing a considerable amount of work on the referendum, on the adoption legislation which I published that will arise as a consequence of the referendum being passed, and on the establishment of the new agencies. I am pleased to say, however, that a considerable amount of work has been done on the adoption tracing Bill and, depending on the demands of those other issues which will be substantial in getting Dáil time, I will attempt to have the heads of Bill brought before Government before the end of the year, if possible. While I cannot guarantee that because of the range of other work in which we are involved, certainly it will be early in the new year. If I can at all, I will have the draft heads of the Bill going to Government before the end of this year and we can then progress the legislation in the House early in the new year. It is a priority of mine.

Last week I met the Adoption Rights Alliance and I am working as closely as I possibly can with it to deal with the issues it is pursuing on behalf of the many people who make representations to it. I have said to the alliance that I shall continue to consult and meet it to try to deal with the range of issues which are of significant concern to it and its members.

Deputy Robert Troy: The right of identity is a core right under the UN Convention on the Rights of the Child. By not having legislation in this area, are we in breach of that United Nations agreement?

Deputy Frances Fitzgerald: Primarily, this is impacted here by the Constitution. There is a balance here that people have spoken about traditionally, which is, as Deputy Troy correctly states, the adopted person's right to information but, equally, on the other side of the equation, the mother's right to privacy. One can argue, as Deputy Troy did, that both of those rights exist, but so far the Supreme Court has sided with the right to privacy, and that is the fact of the matter.

Whether we can give effect to both is precisely what I have asked the Attorney General to examine, and that is where the consideration and discussion is at present. There are various options. One option might be to include certain presumptions in the legislation, such as a presumption that it is in everyone's best interest that the information must be shared unless there are compelling reasons this would unjustifiably conflict with a living person's right to privacy. I am examining the various options.

As I stated, to date the Supreme Court has been on the side of the mother's right to privacy. Since that Supreme Court decision was taken, there have been many developments in understanding the importance of a person's right to his or her identity and to information, and that is what I am examining. I hope to bring the heads of the adoption (information and tracing) Bill to Government as soon as possible.

Retail Sector Issues

5. **Deputy Mick Wallace** asked the Minister for Children and Youth Affairs the number of children's wear retailers who have, to date, signed up to the Retail Ireland Children's Wear Guidelines; if she has been active in encouraging retailers outside of Retail Ireland membership to sign up to the guidelines; and if she will make a statement on the matter. [46751/12]

Deputy Frances Fitzgerald: Earlier this year I issued an invitation to Irish fashion retailers

to prepare guidelines to address increasing concerns over the sexualisation of childhood and issues such as body-image. The invitation was taken up by Retail Ireland and on 28 June this year, I launched its new children's wear guidelines. It is important to note that these guidelines are not just about restricting what retailers can sell, but instead provide a more constructive guidance on best practice on a range of issues such as styling, slogans, age-appropriateness, size, labelling and marketing. These guidelines are an important part of a framework to ensure that we deal with some of the issues which are emerging in this area. Retail Ireland has also put in place a follow-up mechanism.

The guidelines are still new, having been launched just four months ago, so it is too early to judge their effectiveness. Retail Ireland has been in regular contact with my Department and will be providing an annual report on progress. The signatories to the guidelines are Arnotts, Brown Thomas, Clerys, Debenhams, House of Fraser, Marks and Spencer, Next, Penneys, Tesco and TK Max, which is quite a range. Heitons are due to sign up shortly. There are some notable companies that have not signed up yet and I have written to some of them asking them to do so.

Retail Ireland members met in early October to discuss the implementation of the guidelines and I understand that an updated report will be presented to me in the near future. I also understand that yesterday Retail Ireland met some parents' representatives to review the implementation and consider some concerns which the representatives had. It is good that the launch has been followed up by the emergence of an ongoing process to review the implementation and compliance.

Deputy Mick Wallace: I thank the Minister for her reply. Most of us are aware of the fact that the problems in this area have grown in recent years. The move on the part of the Minister and the retail sector is definitely in the right direction but I wonder if there is scope for guidelines such as these to be made compulsory and put on a statutory footing to ensure that children's wear retailers prioritise the well being of children over the pursuit of profit.

I understand that Retail Ireland plans to put in place a mechanism to facilitate the reporting of concerns by parents and others through a central e-mail address and also plans to provide an annual progress report to the Minister's office. While this is an improvement on where we were, it does smack of self-certification. Given that most retail outlets are focused on their profit margin more than on any other priority, it would be good if we could monitor the situation independently rather than accept their word for it. I am not accusing them in advance of not being honest but the Minister understands that if we had independent certification and independent monitoring of how things are going, to ensure that best practice is being followed, that would be a good thing.

Deputy Frances Fitzgerald: I thank the Deputy for his comments. The approach I have taken, in the first instance, is to have voluntary guidelines which are positive and constructive and the sector has responded well to that. This approach has also been taken in the UK. There are some extras in the Irish guidelines, however, including the central email address for complaints, the review of emerging issues and the annual report to my office. In the first instance, this should be voluntary. The issuing of guidelines is the way to go. I take the Deputy's point that it is self-regulation, with no outside body involved, except myself. However, there is a report to me every year, which is important. I suggest that we see how the guidelines work in the first year, see what the first report on them has to say and identify the concerns that parents may or may not have raised in that year. There has been an enormous welcome for the guide-

lines from parents and grandparents and it must be said that Irish retailers, for the most part, act very responsibly in this area. People have remarked to me on the changes that have taken place already in relation to the clothes that are available, particularly for children under 13. The intention is to rely on the voluntary approach initially and to monitor that and see how things develop in the course of the year.

Deputy Mick Wallace: On a different, but related issue, I recently read that an American child beauty contest will come to Ireland soon. I am not so sure that we should start going down this road. I would be very wary about such contests because they really amount to an inappropriate sexualisation of children and that is something we should discourage.

Deputy Frances Fitzgerald: There has been some comment on that recently and obviously there are increasing concerns over the sexualisation of childhood. Many people would argue, and I would agree, that events such as the one the Deputy refers to encourage the early sexualisation of young children. That is something that can be very stressful and quite dangerous for some children. We have seen what is happening in that context in regard to the Internet and cyber bullying. We must be very careful about this issue and that is why I initiated those guidelines earlier in the year.

Other Questions

Child Protection Services

6. **Deputy Denis Naughten** asked the Minister for Children and Youth Affairs when the audit produced on foot of the recommendations in the report on the Roscommon Child Care Case will be published; and if she will make a statement on the matter. [46571/12]

(Deputy Frances Fitzgerald): As I recently indicated to the Oireachtas Committee on Health and Children, the audit report referred to by the Deputy is being submitted this week to the HSE's National Director for Children and Family Services, Mr. Gordon Jeyes. It is planned to publish that report by the end of the year, which covers audits conducted in Roscommon, Waterford and Dublin. That report was prepared by an independent consultant and it has now been presented to Mr. Jeyes but I have not yet received it.

One of the recommendations from the Roscommon inquiry was for a national audit of neglect cases to be completed, commencing with Roscommon. The HSE, in order to progress this recommendation, engaged the services of an external consultant to assist in devising a method of audit that could be applied nationally. Audits were subsequently completed in the former Roscommon, Waterford and Dublin South East local health offices. In each area it was decided, on foot of research advice, that a sample number of 30 cases would be reviewed. The purpose of the composite report is to maximise the learning from the process.

I have answered detailed questions previously in relation to this issue before. Since the publication of the Roscommon report the HSE has given assurances that the practice of assessing and responding to child welfare and protection concerns is being applied to the necessary standard across all regions. It is committed to learning from this and other reports to ensure that services are strengthened to help protect children to the greatest extent possible.

The Children First national guidance for the protection and welfare of children, published in 2011, provides greater clarity and guidance for individuals and organisations in identifying and responding appropriately to child abuse and neglect. The guidance stresses that the responsibility for child protection lies across all organisations and while the HSE and the Garda have particular roles in assessment and prosecution of allegations, working across sectors is essential to good outcomes. We saw that in the child death report too. A child protection and welfare practice handbook is now available. I also wish to inform the House that HIQA begins its inspection of child protection services and how they are responding to cases. We launched the HIQA guidelines in July and the first inspection will take place in Carlow-Kilkenny in November.

Deputy Robert Troy: Deputy Naughten has asked me to speak on his behalf and I thank the Minister for her reply. As the Minister knows, the Deputy is quite anxious in this regard and has asked me to try to ascertain a definitive time frame for the publication of the report. I acknowledge that it was only presented to Mr. Gordon Jeyes this week and that the Minister has not seen it yet. She will need time to go through it. Can she give an indicative timeframe for when it will be published?

Deputy Frances Fitzgerald: I intend that the report be published. I will pursue it with Mr. Jeyes and as soon as I receive it from him I will publish it. There is no reason to believe there will be a delay. He only received it this week.

6 o'clock

Departmental Staff Recruitment

7. **Deputy Michael Moynihan** asked the Minister for Children and Youth Affairs the number of social workers currently employed by her Department; if she will confirm if the targets as set out in the Ryan implementation report have been met; if such targets were met by recruiting new social workers or by converting temporary contract to permanent contracts; if she will provide a detailed breakdown of the number of permanent social workers now as opposed to March 2011; the number of temporary contracts now as opposed to March 2011; and if she will make a statement on the matter. [46728/12]

Deputy Frances Fitzgerald: The HSE compiles a monthly census of employment in the public health and social care sector. The most recent figures supplied by the HSE indicate that the number of whole-time equivalent social workers employed in the children and families service area of the HSE was 1,300 at the end of July 2012. The number of social workers employed in the children and families service area at the end of February 2011 was 1,231. This represents an increase of 69 whole-time-equivalent social workers since February 2011. The total number of individual social workers employed in child and family services has increased by 86 in the same period. The HSE has made considerable progress over recent years in recruiting additional social workers, with 260 social workers recruited under the Ryan implementation plan at the end of 2011. A further ten social workers who were to be recruited after 2011 are currently at various stages of recruitment, with the first four already in position.

The national director of children and family services, Gordon Jeyes, will continue to ap-

25 October 2012

ply his discretion to the filling of social work vacancies, taking account of identified need and subject to services being delivered within available resources. It is important to emphasise that work is ongoing within the HSE on the disaggregation of the children and families resource base from the HSE as part of the process of establishing the new child and family support agency next year. Consequently the number of social workers assigned to children and families services will continue to be subject to change as the mapping and classification of posts into care groups is further refined between now and year end. This project has involved considerable work and certain grey areas are still being examined.

Information regarding temporary and permanent contracts has been sought from the HSE. This information will be provided to the Deputy as soon as it becomes available. The figures I have provided include those employed on a permanent and temporary basis, with a significant overall increase achieved in the total numbers employed over the period.

Deputy Robert Troy: I welcome that at long last the target promised under the Ryan implementation plan has been met. I am somewhat disappointed that the Minister cannot provide information on the numbers employed on temporary contracts but perhaps she can confirm whether the additional staff employed under permanent contracts were transferred from temporary positions and if those positions were ever filled. That is a key issue because the figures released by her Department in May 2012 indicate that the percentage of allocated social workers to children in foster or residential care has decreased, which means that more children were without social workers in May compared to 18 months ago. I ask her to clarify that issue.

Deputy Frances Fitzgerald: I am pleased to report that the number of allocated social workers has increased over the past three years. The figures have improved substantially. There was a slight drop in 2011 but that can be partially explained by the difficulties surrounding resources arising from earlier budget reductions. I do not have figures on temporary and permanent positions but all 260 of the social workers I committed to recruiting are now in place. The number has increased and 86 additional social workers have now been employed. We have seen a welcome increase in the proportion of children in care with an allocated social worker to 93%, compared to 83% in 2009. In some of the cases where a social worker has not been allocated the children are with relatives.

Deputy Caoimhghín Ó Caoláin: I have listened to the series of discussions on this matter between the Minister and the Fianna Fáil spokespersons on children, Deputy Troy and, previously, Deputy McConalogue. It is difficult at times to discern the exact number of social workers *in situ*. At the end of the day, my core concern is not the fencing over the numbers but whether we will have sufficient support services, including dedicated social workers, to deal with the advent of the child and family support agency after 1 January and that we live up to the promise of the constitutional change we are urging the electorate to endorse on 10 November.

Deputy Frances Fitzgerald: Clearly the point is that we can provide the kind of services we require. That is the intention of the reform. Gordon Jeyes and his new management team, which has been reduced from 36 to 19, are working hard to manage their budget and provide the best possible service. Significant reform is under way and I believe it will support workers on the front line. However, we face huge pressures because of the financial situation and demands on services.

Health Reports

8. **Deputy Mick Wallace** asked the Minister for Children and Youth Affairs her plans to implement the recommendations of How We See It, Report of a Survey on Young People's Body Image, such as the need for a national positive body image awareness campaign aimed at teenagers; and if she will make a statement on the matter. [46750/12]

37. **Deputy Seamus Kirk** asked the Minister for Children and Youth Affairs the action she proposes to take arising from the survey on Young People's Body Image; and if she will make a statement on the matter. [46723/12]

Deputy Frances Fitzgerald: I propose to take Questions Nos. 8 and 37 together.

On 15 October, I launched the report of a survey on young people's body image, which marks an important milestone in giving young people a voice on this important issue. This survey was carried out directly on foot of a key recommendation from Dáil na nÓg 2010. At that assembly, the young delegates considered the importance of body image to teenagers' mental health and, noting the lack of national data on teenagers' body image, decided that it was an issue worth researching. The survey was completed by 2,156 young people, which is a large number given that poll information is often provided on the basis of 1,000 respondents, and it gives us new insights into how teenagers perceive themselves in an area of critical importance to their mental health.

The survey found that body image is a burning issue for young people in Ireland, with 77% of participants ranking body image as important to them. Of those surveyed, 57% expressed some level of satisfaction with their body image, which means 43% were dissatisfied. Comparison with others emerged as the most negative influence on girls' body image, whereas bullying was the strongest negative influence on boys' body image. We do not hear much about the impact of bullying on boys but this survey identified it as an important issue for them. The importance of media and celebrities in influencing teenagers' body image also ranked as highly significant. The report also contains a number of international comparisons.

The young people called for action in schools and recommended an awareness campaign aimed at teenagers. They also advised that we should examine access to sports for young people. It was disturbing to find that many young girls dropped out of physical education and swimming activities in schools for the wrong reasons. Schools can take initiatives to monitor these developments. They also asked for more discussion of personal development in schools. They also looked at the issue of vending machines in schools and recommended that if they were provided in schools, they should offer healthy food options. There is a series of practical recommendations on which we can take action. This goes beyond the remit of my Department and there is work to be done on the side of health promotion by the Department of Health. The new children and young people's policy framework will be about a whole of government approach to these issues. There are interesting findings in the report which need to be examined to see which Departments should progress the recommendations.

Deputy Mick Wallace: This issue is related to my previous question also. Significant health education is required in this regard, but the issue of education in general must also be examined. I would like to see the secondary education system, in particular, concentrate more on preparing kids for life, not just for taking up a job. I have been coaching under-age teenagers for the past 30 years and if I had to use one word to describe what they are like when I meet them first at age 15 or 16 years, I would use "insecure" as most kids lack self-esteem. One of the first tasks of a manager or coach is to help them to feel better about themselves before one

can see them maximise their potential.

We also need to educate young kids about false advertising. The extent to which women are objectified in the media is leading a generation of young girls to believe their self-worth is directly linked with their physical appearance. Similarly, the male stereotypes perpetuated by much of the media suggest to boys that to be a man one must be physically strong and often aggressive and that displaying any hint of emotion or sensitivity is a weakness. I have been criticised in this House for being emotional. A direct effort must be made in schools to deal with the issue of kids' self-esteem and the difficulties that undermine it.

Deputy Frances Fitzgerald: There is increasing international evidence that this is an issue. We did not have much research available in Ireland until this study - *How We See It, Report of a Survey on Young People's Body Image* - and there are disturbing findings from the point of view of young people. The young people who conducted the survey have said they want it to be a point of discussion for young people because the fact that they were discussing it would help them to feel they were not alone and perhaps their self-esteem might be improved by sharing their concerns.

A range of actions can be taken, particularly in the area of health promotion and awareness. Schools have a role in that regard, but at the same time I am very conscious that we are asking them to do a lot. Discussion of these issues and giving young people the opportunity to deal with their concerns, speak about them, be supported and take part in sports are important in order to deal with some of the negative gender stereotyping which affects both young boys and young girls. This stereotyping impacts differently on young girls but also on young men. This came across clearly in the survey. It impacts on both genders in different ways. It is an issue about which we will hear a lot more.

Deputy Robert Troy: This gives us an opportunity to speak a little about Question No. 16, to which we will not get, which asks about the national playground policy. The Minister should consider updating that policy to ensure equipment installed in playgrounds is exercise friendly and that it helps children to maintain an appropriate weight.

It is welcome that the survey was an initiative driven by young people because the chances are that will make it far more successful because it is something for which they are looking. We look for examples of what we can do and see the great work done under the Green Flag programme in increasing the level of environmental awareness in schools. There is a new Blue Flag programme which promotes physical well-being among children in schools. Such a pilot programme is being carried out in my local school and perhaps it might be considered for implementation on a national basis.

Has the Minister had consultations with the Ministers for Health and Education and Skills on this issue? They are the key Departments in the implementation of the recommendations made in these reports. Has the Minister had the opportunity to contact them on this issue and, if so, what proposals are forthcoming?

Deputy Frances Fitzgerald: I will engage in consultation with the Ministers, but I have just received this report within the past couple of weeks. I work with both Departments on cross-departmental issues and this report will certainly be on our agenda. It is obviously linked with the report of the working group on obesity also, on which there is cross-departmental work on health education.

Deputy Caoimhghín Ó Caoláin: I agree with the education for life approach in schools. The issue addressed in these questions has a direct link with the issues of youth mental health and school bullying addressed in my priority question. The high and increasing incidence of eating disorders is a related issue. Are there particular initiatives being undertaken by the Minister?

The Minister mentioned a joint approach with the Minister for Education and Skills on school bullying, but are there initiatives being taken on related matters, particularly the issues of youth personal image and eating disorders? These must start at a young age. Is there a particular focus or undertaking in this regard?

Deputy Frances Fitzgerald: This is an area we are just beginning to research and this is one of the first reports we have received. Significant work has been done in Australia on the issue of body image and young people's view of it and how it impacts on them. The initiatives on bullying are an important way of dealing with this issue and that of mental health. Equally, the SPHE programme in schools, changes to the junior certificate curriculum and a different focus in certain areas of education mean these issues will be included in a more integrated and mainstream way. Also, some of the initiatives on physical activity in schools such as the one being promoted by Senator Eamonn Coghlan will help. I hope this initiative will be piloted in schools. We must examine what we are doing with regard to physical activity in schools and how children and young people are participating. I accept the Deputy's point that this begins at a very early stage; we should really start working on this issue at primary level.

Deputy Mick Wallace: Will the Minister remind the Minister for Education and Skills that the job of teaching children today is probably more difficult than it ever was? That is all the more reason we need to attract the best people to the job. Therefore, cutting the pay of first-time teachers, as is happening, will hardly help to promote teaching at a time when there are such massive challenges. It is vital that we get it right and attract the best people into the profession. We need to remember this when their money is being cut.

Deputy Clare Daly: I agree with the Minister that the fact that we are discussing this issue is positive and contributes to an airing of the issues involved. This is an enormous challenge, beyond anything we do here and at government level because of the influences and pressures exerted from outside. The pressure young people, particularly young girls, are being exposed to in order to conform to a certain image that has no bearing on reality is immense. Since my daughter started secondary school, I have really noticed the different pressures, the emergence of friends with eating disorders and the focus on how one looks. We have to be really conscious of those issues. It is a question of having confidence in diversity. If every Government Department could use positive role models, it would be the beginning of an effort to be quite constructive.

Deputy Frances Fitzgerald: I take Deputy Wallace's point in regard to teachers. I take this opportunity to praise the dedication of teachers who give such so much time outside school hours to support young people who participate in all sorts of sporting activities and school events. That is a very important aspect of the work of teachers in dealing with the kind of issues we are talking about today. Teachers help children to gain self-esteem and find their inner value and confidence. Clearly, we are taking steps to ensure our economic situation recovers so that we will not have to make decisions like those mentioned by Deputy Wallace today.

I would like to remind Deputy Clare Daly of some of the positive initiatives that are taking

place around the country. In the youth work area, which is funded by my Department to the tune of tens of millions of euro, wonderful initiatives involving young people are taking place around the country. This funding is focused on a range of issues, such as the involvement of young people in community activities and their contribution to communities. Some 300,000 young people have been through the Gaisce programmes. Foróige is involved in initiatives throughout the country, including Big Brothers Big Sisters Ireland. I have to say I believe those projects, which I see every week, respect diversity and focus on values like those espoused by Deputy Daly, as opposed to the pressures that are putting so many demands on our young people.

Retail Sector Issues

9. **Deputy Barry Cowen** asked the Minister for Children and Youth Affairs her views on inappropriate marketing targeted on children; and in view of this the action, if any, she is taking in conjunction with other Government Departments to ensure that such inappropriate marketing is curtailed. [46709/12]

Deputy Frances Fitzgerald: I addressed this issue to some extent in response to Question No. 5, in the name of Deputy Wallace. Other Departments and bodies are involved in the regulation of advertising in broadcast and other media. Inappropriate marketing and, particularly, the sexualisation of children in advertising, which we have already discussed, are important issues for those of us concerned with the welfare of children and young people. I intend to examine this issue further as I develop the forthcoming children and young people's policy framework. I will not repeat what I have already said about the guidelines that have been issued to Retail Ireland.

Acting Chairman (Deputy Peter Mathews): The Minister can consider it read into the record.

Deputy Frances Fitzgerald: I have given the details of the number of retailers that have signed up to the guidelines. That information can be considered as part of the reply to this question. In August 2011, the Broadcasting Authority of Ireland issued a consultation document on a children's commercial communications code and launched a related public consultation process on how food and drink should be commercially promoted to children in broadcast media. As part of my Department's commitment to supporting participation by children in decision-making, my Department has facilitated a submission by Dáil na n-Óg, the national Parliament for young people between the ages of 12 and 18, to the Broadcasting Authority of Ireland in relation to the consultation document on the children's commercial communications code. The outcome of the public consultation process that was undertaken with regard to the rules to be applied to the advertising of high fat, salt and sugar food and drink to children was announced on 12 October last. The rules will come into effect on 1 July 2013 and will apply to all radio and television broadcasters regulated in the Republic of Ireland.

Deputy Robert Troy: As the Minister said, this question is somewhat similar to a previous question about the early sexualisation of children. I welcome the work that has been done in this regard. The Minister has said she feels that the new Broadcasting Authority of Ireland rules that will govern the advertising of food and drink to children represent an important step in the process of combating the alarming rise in childhood obesity. We will have to wait until July 2013 to see exactly what sort of impact the new rules will have. Given that a large percentage

of television advertising viewed by children is broadcast on non-Irish channels, do we have an opportunity to do something at European level? I understand that 70% of television watched by Irish children is on non-Irish channels that will not be governed by the new rules.

Deputy Frances Fitzgerald: This is clearly a complex issue. No particular authority in Ireland governs the broadcasting of the programmes mentioned by the Deputy. Clearly, there is scope for the best practice with regard to these issues to be examined at EU level. I am not sure how effective that would be, however. It is hard to know what impact it would have. I will make inquiries for the Deputy and revert to him on this issue. I do not doubt that initiatives are under way at EU level, but I do not have details of them with me.

Deputy Simon Harris: I would like to pick up on the point made by Deputy Troy about the need for a European approach to this issue. We have discussed the marketing of food, drink and clothes to children, but I wish to focus on gambling with particular reference to a new Facebook application. Although it is currently available in the UK only, a number of parents' groups in Ireland have expressed concern about it. They have been told it is for the use of those over the age of 18, but they are concerned about the use of cartoon characters and children's drawings to advertise it. Can the Minister give her opinion on the matter? Will she work at EU level to examine how we can tackle the use of online applications to target young people?

Deputy Frances Fitzgerald: Evidence is emerging to suggest that online gambling by young people is a serious issue. It is of more concern in some circumstances than in others. I would be happy to examine the initiatives that are being taken at EU level. Clearly, the issue of the regulation of the Internet, which has proved to be extremely difficult, transcends national and geographical boundaries. As in the case of cyber-bullying, it might be better to focus on educating parents and young people because international regulation is a much more complex matter. I will certainly examine the European initiatives that have been taken.

Deputy Caoimhghín Ó Caoláin: Given that Question No. 9 relates particularly to "inappropriate marketing targeted on children", I welcome the fact that the Minister has spoken about programming in general. Television programmes themselves, quite apart from television advertisements, can have a significant influence on young people. They often present young people in a particular way. One set of views might be regarded as normal behaviour, but it might be very alien and totally contrary to another body of young people. When a continual feed presents a set of norms or standards as acceptable and does not challenge them, it can have a significant impact on young people. While it is difficult to address all of this, we have to be very aware that it is having a significant influence.

Acting Chairman (Deputy Peter Mathews): The Deputy's point is well made, but it is not really a question.

Deputy Frances Fitzgerald: The best response in the circumstances outlined by the Deputy is to continue to educate our young people. That is why I welcome reports like the body image survey and the work on the retail guidelines. Education and self-awareness are needed. We have to give young people an opportunity to discuss these issues in places where they are supported. Many of them are involved in activities like those I have mentioned. That is clearly the best defence. Clearly, we need to consider whether other initiatives need to be taken.

10. **Deputy Timmy Dooley** asked the Minister for Children and Youth Affairs the way she proposes to put in place the resources that will be required to uphold and vindicate the rights of children; and if she will make a statement on the matter. [46717/12]

Deputy Frances Fitzgerald: The purpose of the proposed constitutional amendment is to recognise children in their own right in the Constitution and to acknowledge that each child enjoys rights and deserves certain protections from the State by virtue of the fact that, as a child, he or she is vulnerable. The referendum will not address all wider issues that impact on children. It is the fundamental backdrop to the wider programme for change for children that is being pursued by the Government. These reforms focus on intervention to ensure the safety and welfare of children and to ensure child protection services can respond proportionately to all child protection concerns. Central to the programme for change for children is the plan to take child protection services out of the HSE and to establish a new dedicated child and family support agency, to be fully operational in 2013. This will involve a move to a situation where child and family welfare will be the sole focus of a single dedicated agency, overseen by a single dedicated Department. The report of the task force that I established to advise on how best to organise services for children in this country was published in July 2012. The task force report maps out an executive agenda for the development of services so we can do the very best for parents, children and families. Ahead of establishment of the new agency, an additional €21 million in funding has been made available to HSE child and family services in 2012. This reflects the priority attached by the Government to the reform of child welfare and protection services. There also has been a further increase in the recruitment of child and family social workers and an increase in the proportion of children with an allocated social worker.

Since taking office last year, it has been evident to me that there is a particular need to improve the quality and accuracy of information available from the HSE in relation to child protection services, together with a need to provide more timely and meaningful information. The introduction of the national child care information system will help to greatly improve performance in this area. I am pleased to say good progress is being made by the HSE with regard to the introduction of this system, which will help to significantly improve the level, quality and accessibility of information in respect of children and family services. The matter of resources for services to children will be considered by the Government in the context of the overall budgetary arrangements for 2013. While it is not open to me, in that context, to pre-empt decisions to be made by the Government, I would point out that the Government continues to invest significantly in services for children across a range of areas. The Government will continue this approach, to the greatest possible extent, in dealing with the serious financial challenges facing the country overall.

Deputy Robert Troy: This question is similar to Question No. 1.

Deputy Mick Wallace: This issue has been covered already.

Acting Chairman (Deputy Peter Mathews): Is the Minister happy to move to the next question?

Deputy Frances Fitzgerald: Yes.

Deputy Caoimhghín Ó Caoláin: I would like us to stay on this question to facilitate those of us who were not able to ask supplementary questions earlier because Question No. 1 was a Priority Question.

Acting Chairman (Deputy Peter Mathews): I accept that further questioning under Question No. 1 was limited to the presenter of that question, which was of similar substance to the question now before the House. Therefore, I will allow further questions on the topic covered in Question No. 10.

Deputy Frances Fitzgerald: That is fine.

Deputy Caoimhghín Ó Caoláin: We have spoken about the resourcing that is needed to enable social workers to uphold and vindicate the rights of children. I am particularly keen to make an additional comment on this issue in the House because it is the last opportunity I will get to do so before 10 November. I reiterate that resourcing will be essential. We have embarked on a major initiative to enshrine children's rights in the Constitution. The electorate will have an opportunity to do that two weeks from this Saturday. I join the Minister and others in this House in encouraging the greatest possible endorsement of the "Yes" position.

I urge Deputies not to be complacent and to utilise fully the remaining time to promote the very sound reasons we believe the "Yes" position is the right one to adopt on 10 November. Given that the Dáil is not sitting next week, we should avail of that opportunity to make our case. I would say from the engagement I have already had with others, as well as on the basis of the ongoing inquiries, that people who have had less than satisfactory experiences with the State's approach to the protection of children in the past have legitimate concerns. We need to ensure we are in a position to give the necessary assurances to the effect that those failures will not continue after this constitutional amendment is adopted.

Deputy Frances Fitzgerald: I would also like to take this opportunity to encourage people to vote on 10 November next. It is a Saturday, which should facilitate people. It is important for people to come out to vote and to give a strong endorsement to this amendment. The information is out there. It is available to the public. People always ask for more information. Two booklets are being delivered to every home. All of the political parties are making material available to citizens to ensure they are informed about the key provisions we are proposing. I encourage people to make themselves aware of the information that is available, including the substantial body of information that is available online.

I take the Deputy's point that we have a dreadful history, in many ways, with regard to vulnerable children and over decades of institutional care. That institutional care has come to an end, for the most part. St. Patrick's Institution is an exception. We are taking action to change that. Before I saw any report, I took action to ensure 16 and 17 year olds will no longer be detained at St. Patrick's Institution. I emphasise that when care services try to help families, they provide family support in the first instance. That has been the case for quite a long time. It is only in exceptional cases that young people end up in care. When young people come into State care, they are placed in the care of families. Some 91% of them are with foster families. They are getting a chance of family life. It is important for people to understand it is not residential care.

I will conclude by referring to one of the difficulties in the discussions that are taking place in relation to the referendum. The fact that so many family law hearings take place *in camera* or in secret means people do not realise we already have strong legislation in this area. Every day of the week, the courts hear family law cases relating to families that are in trouble. They make decisions about care orders and supervision orders, etc. Every year, some 1,500 children are confirmed by the child and family services as suffering from physical abuse, sexual abuse

25 October 2012

or neglect. We need to protect those children.

Written Answers follow Adjournment.

The Dáil adjourned at 6.35 p.m. until 2 p.m. on Tuesday, 6 November 2012.