



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Déardaoin, 7 Samhain 2013

Thursday, 7 November 2013

Chuaigh an Leas-Cheann Comhairle i gceannas ar 9.30 a.m.

Paidir.
Prayer.

Ceisteanna - Questions

Priority Questions

Public Transport

1. **Deputy Timmy Dooley** asked the Minister for Transport, Tourism and Sport how he intends to address the increasing cost of public transport here; and if he will make a statement on the matter. [47216/13]

2. **Deputy Dessie Ellis** asked the Minister for Transport, Tourism and Sport in view of a further increase in fares recently, his plans to help increase passenger numbers on public transport services; his views on whether fare hikes damage public transport viability; and if he will make a statement on the matter. [47411/13]

Deputy Timmy Dooley: On Wednesday, 23 October, the National Transport Authority, NTA, approved yet again a fare increase for the CIE group of companies. This is creating an unnecessary and unbearable burden on commuters throughout the country at a time of considerable financial pressure. What does the Minister intend to do to address the situation in which the CIE group of companies finds its only resort is to go back to the consumer as costs increase and as its inability to meet day-to-day costs continues? Will the Minister outline what he intends to do to address the matter?

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): I propose to take Questions Nos. 1 and 2 together.

My apologies to the House for being a little bit late. I was stuck in traffic in Blanchardstown this morning.

I do not set public transport fares. Just as in the telecommunications and energy sectors, it is the responsibility of the regulator - in this case, the National Transport Authority - to adjudicate on applications from the CIE companies and the Railway Procurement Agency for fare increases or changes. In our dealings with all companies, we have consistently emphasised that they must reduce costs ahead of future fare increases or service cuts. However, in the current environment, fare increases will be inevitable if costs cannot be reduced sufficiently to maintain a reasonable level of service provision and protect our network. The NTA recently approved a range of fare increases. Significant savings can be made by passengers who choose to avail of the integrated ticket, the Leap card. In many cases, passengers will be paying fares that are below 2011 cash fares if they use the Leap card.

Notwithstanding the NTA's statutory responsibilities, the Government recognises the need for the CIE companies to respond to the challenge of reduced PSO subvention funding, reduced fares income arising from reductions in passenger numbers, and increased costs, such as fuel costs, which are outside their control. The country does not have the money it used to. We all know this. The board of CIE is pursuing a range of measures to address the financial position, including cost reductions across the three operating companies. Improved bank facilities have been agreed, which will ensure that the company has sufficient funding into the future.

The Government continues to provide substantial Exchequer investment in the public transport network despite the significant financial challenges. Over the three years from 2011 to 2013, the total Exchequer allocation to the three CIE companies, in respect of PSO services, free travel, school transport and capital expenditure, has been more than of €1.5 billion. The priority must be to get a better return from the public transport system through targeted investment and better use of existing resources and by using technology to make public transport more responsive and user-friendly.

My Department has also provided funds in Dublin and the regional cities to promote sustainable travel, including the further development of bus lanes, improvement of rail and bus stations, bus stops and shelters and improvements in accessibility. Through the NTA, my Department is also funding the use of smart technology to make public transport easier to access and more reliable for the user. Significant progress has been made with the Leap card, real time passenger information, and the national journey planner that maps all public transport services across the country. The provision of Wi-Fi wireless networks on trains and buses has also improved the transport experience. The NTA will continue to advance these consumer-friendly initiatives which make using public transport more attractive. The public transport experience has improved significantly and that is where we must target our efforts in future.

Deputy Timmy Dooley: I thank the Minister, but he is missing the point. He suggests that if consumers purchase Leap cards they will make savings. If all consumers were to do so, the CIE group of companies would have a bigger financial difficulty. The price increase is necessitated by the 7.4% decrease in the Government subvention under the public service obligation subvention to the companies this year. In addition to the increase in the cost of fuel, this is placing a significant burden on the group of companies providing the service. The Minister and the Government must decide what kind of public transport network they want in this country. They must decide whether they intend to fund it from the central Exchequer in a manner that meets the needs and expectations of the consumers. It seems that much of what the Minister hints at as a solution is that he expects the group of companies to reduce the service and cut costs to the point at which the service that is delivered will not meet the needs of consumers. Ultimately, this will force people away from public transport.

A huge effort has been made over recent decades to bring the level of service to the point at which a modal shift takes place. People left their cars and moved towards public transport. The Minister is dismantling this step by step.

Deputy Leo Varadkar: It is always important to remember that public transport remains heavily subsidised, with the exception of Luas and the private bus services. While someone who cycles, walks or uses the car to get to work pays the full cost, people who use public transport are subsidised by the State. It is important to bear that in mind. If people had to bear the full cost, fares would be much higher than they are. The reason fares are going up is due to the decrease in passenger numbers as a result of the economic situation, an increase in fuel costs and a reduction in the public service obligation. Also, we have not been successful in bringing about the required cost savings quickly enough. We are making good progress in those areas. Passenger numbers have stabilised as the economy is recovering. Fuel costs are not rising. In my submission to the next comprehensive expenditure review, which kicks in from 2015, I will ask for no further cuts to the PSO. We are now seeing progress, with cost savings yesterday in Dublin Bus, and that will be required in Irish Rail in the coming months.

Deputy Dessie Ellis: I am not sure how the format works. I thought both Members would share the question. Many issues have been addressed.

An Leas-Cheann Comhairle: It does not work that way. Only the first Deputy in the group will introduce the question. I ask Deputy Ellis to put his question.

Deputy Dessie Ellis: We all know we have an economic crisis and everyone must cut their cloth according to their measure. Increasing Dublin Bus fares by between 15% and 25% and the price of prepaid tickets by 9% will discourage many people from using public transport. Increasingly, public transport is being hit. The subvention has been decreased year-on-year and we have one of the lowest subventions in Europe. This is having a major impact. In the cost-cutting exercise undertaken by Dublin Bus, we have seen a number of routes being cut or changed. This inevitably leads to passenger losses.

An Leas-Cheann Comhairle: A question, please.

Deputy Dessie Ellis: We have had major increases in fuel costs and there is also inflation. What will the Minister do to address the passenger losses? Will these prices continue to be increased in order to bring in money? It does not make sense.

Deputy Leo Varadkar: The average cash fare increase approved for Dublin Bus is 8.9%, but the Leap fare increase is substantially lower. I encourage people to move to the Leap card or Leap card products. Dublin Bus passenger numbers are stabilising and have stopped falling. This is a positive sign of the economy beginning to recover. In the next couple of weeks the cost savings which eluded us in the past 16 months will be achieved because of the decision by SIPTU yesterday not to engage in industrial action. It has been quite a struggle, frankly, for the past two years to put things in order, but the situation is looking better in the case of Dublin Bus and Bus Éireann. At the time of the next comprehensive review I will be proposing to the Government that there not be further reductions in the PSO subvention from 2015 onwards. I agree with the Deputy that the fare increases of recent years are not sustainable in the long term. There may need to be increases every year or two but certainly not of the scale seen in recent years. I take the Deputy's point in that regard.

Deputy Timmy Dooley: On the same point, the big difficulty is that a point will be reached

at which the fares will be at such a level that it will not be possible for people to continue to pay them and I predict they will revert to using cars and move away from using public transport. The Government must be prepared to carry out a comprehensive review of the public transport system and try to understand what level of State investment will be needed to ensure it remains intact and continues to meet the needs of consumers. Will an impact analysis of the recent price increases and the reduction in the PSO subvention be carried out?

Deputy Dessie Ellis: The Minister has stated there will not be further reductions in the PSO subvention from 2015 onwards. However, this does not account for what will happen in 2014. Further cuts will have a significant impact. The fare increase of 8.9% will amount to a couple of hundred euro a year for most regular commuters who cannot afford cars in many cases. The vast majority of those who use public transport use it because it has been the cheapest method of getting around. The regulator seems to set the fares, but I ask the Minister if he has any input. Does the regulator decide on the fares and the Minister is not informed? I accept that the regulator is independent. To be honest, I find it very difficult when we are trying to encourage the use of public transport that the regulator sets the fares and that we kick to touch by saying we have no input or no way of influencing the process.

Deputy Leo Varadkar: The Oireachtas transferred the power to make these decisions from the Minister to the regulator. I have conversations with the regulator, with whom the legal power rests. The impact analysis is made every year by the National Transport Authority as part of the fare determination process. To clarify the matter, I will be proposing to the Government that there be no further cuts in subvention from 2015 onwards. I am not saying that is a Government decision yet; it is a proposal I will make as part of the next comprehensive spending review which will be under way in the next couple of months.

Deputy Timmy Dooley's question relates to what economists like to call the elasticity of demand; if the price is set too high, the numbers using the service will fall. Of course, they can, but so far this has not happened. Dublin Bus passenger numbers have stabilised, while Luas passenger numbers are increasing. There is a slightly trickier picture with regard to Bus Éireann and Irish Rail, particularly on intercity services. If we continue to increase fares at the current rate, we will see a fall-off in passenger numbers. That is why I am restating my view that in the coming years it is not sustainable for fares to be increased at the rate they have been increasing in recent years.

National Transport Authority

3. **Deputy Maureen O'Sullivan** asked the Minister for Transport, Tourism and Sport the position regarding the Dublin city centre study being undertaken by the National Transport Authority in relation to the development of the Royal Canal-CIE lifting bridge on the North Strand, Dublin 1, and the Scherzer Bridge, Sheriff Street, Dublin 1; and if he will make a statement on the matter. [47410/13]

Deputy Maureen O'Sullivan: The city centre transport assessment study is being carried out by the National Transport Authority and Dublin City Council. It is examining the management and movement of goods and people to, from and within Dublin city. My question relates to the navigational potential of the canal which includes the bridge question and why this has not been included in the study.

Deputy Leo Varadkar: I thank the Deputy for raising this matter. As Minister for Transport, Tourism and Sport, I have responsibility for policy and the overall funding of public transport. Following the establishment of the National Transport Authority in December 2009, the implementation and development of infrastructural projects in the greater Dublin area come within the remit of the authority.

The city centre transport assessment study is being undertaken by the NTA in conjunction with Dublin City Council. The purpose of the study is to examine in detail the issues relating to the management and movement of people and goods to, from and within Dublin city centre and propose potential solutions. The NTA and Dublin City Council are carrying out a joint assessment. They are analysing initial proposals and initiatives and working towards producing a joint report which will go through a public consultation process. It is anticipated that the joint report will be published for consultation early next year.

The study will identify traffic management proposals, public transport infrastructure improvements and specific measures to encourage walking and cycling to, from and within the city centre. Furthermore, as the Deputy is aware, the NTA has recently completed a public consultation exercise on its draft greater Dublin area cycle network plan. While neither the study nor the draft GDA cycle network plan deals explicitly with canal navigation or the rehabilitation of bridges over the canals, it is the intention of the NTA to pursue a cycling and walking green way along the Royal Canal close to the locations in question. With regard to the bridges in question, the Scherzer Bridge or Rusty Bridge on Sheriff Street is not the subject of a specific proposal from the NTA, nor is the lifting bridge on the North Strand included in a current NTA proposal. It is understood the latter is on a lightly used shunting line serving Connolly Station. It is operable and can be used to allow canal traffic to traverse underneath. This is a matter for Waterways Ireland and Irish Rail and beyond the remit of the city centre transport assessment study and the GDA cycle network plan.

Given the NTA's responsibility in this matter, I have referred the Deputy's question to the authority for a further reply. I will be happy to arrange for the Deputy to meet the NTA team personally should she so wish.

Deputy Maureen O'Sullivan: I thank the Minister. Part of the difficulty is that the area falls between the Minister's Department and the Department of Arts, Heritage and the Gaeltacht. Many other organisations are also involved, including Waterways Ireland, Irish Rail, Dublin City Council and the National Transport Authority. The Dublin Docklands Development Authority also had a role and it is not clear if its role will be transferred to Dublin City Council. Everyone welcomes the green way project and the development of walking and cycle ways. As the walking and cycling ways run along the canal, it does not make sense not to include the canal to examine its navigational potential. All that is being asked is that it be included in the study in order that at some point when funding may be available plans could be in place and ready to be used. I ask that the canal be considered as part of the study.

Deputy Leo Varadkar: I am not familiar with the exact details of this issue or the bridge in question, but I will put the Deputy's proposal to the NTA. It is intended to run a green way and a cycling and walking way all along the Royal Canal. I run along the canal from time to time and know it is possible to get from Clonsilla as far as one of the bridges in the Sheriff Street and Seán MacDermott street area-----

Deputy Timmy Dooley: Perhaps the Minister might start running in the future.

Deputy Leo Varadkar: It would be nice to be able to get all the way into town or to the sea. I am not familiar with the details of the bridge, but I will ask the NTA to see whether it would be appropriate to include it in the study. As the Deputy noted, a large number of agencies are involved, which sometimes makes it difficult to get things done. That is not an excuse but perhaps a comment.

Deputy Maureen O’Sullivan: I suggest the canal route might be a potentially quicker way for the Minister to travel into work in the morning. I acknowledge the work of the voluntary organisations along the canal such as the Royal Canal Amenity Group, the Inland Waterways Association of Ireland, the Heritage Boat Association, Canal Watch and the various individuals who have been doing an amazing job. If the Minister is using the canal way in his area, he will see this work. The bridges are a problem. Part of the problem is that each bridge is the responsibility of a different authority.

10 o’clock

There is no joined-up thinking with regard to the canal and its navigational use. With recent festivals there have been parts of the canal used by barges, with a section made available by Waterways Ireland for water polo. There is much potential and I welcome the fact that the Minister will take up the issue and there is a possibility that the canal could be part of the study.

Road Improvement Schemes

4. **Deputy Timmy Dooley** asked the Minister for Transport, Tourism and Sport the impact on the National Roads Authority and local authorities’ road maintenance programmes of the reduction in revenue allocated in budget 2014; and if he will make a statement on the matter. [47217/13]

Deputy Timmy Dooley: The ongoing reduction in capital spend by the Government, particularly in the Minister’s Department with regard to the road network, is affecting road safety. Will the Minister outline the discussions he has had with the National Roads Authority, NRA, and his ministerial colleague in the Department of the Environment, Community and Local Government on the impact of this reduction in capital spending on the road network? Has he considered the impact on road safety in particular?

Deputy Leo Varadkar: One might get sick of saying some of this stuff. As Minister for Transport, Tourism and Sport I have responsibility for overall policy and funding for the national roads programme. The implementation of individual national road projects is a matter for the National Roads Authority, NRA, under the Roads Acts 1993 to 2007, in conjunction with the local authorities concerned. The improvement and maintenance of regional and local roads is the statutory responsibility of each local authority in accordance with the provisions of section 13 of the Roads Act 1993. Works on those roads are funded from local authorities from their own resources, supplemented by State road grants.

The amount of public funding available for the road network has reduced significantly over the last number of years and the amount of money available does not match the work that needs to be done. In these circumstances the NRA and local authorities have to focus primarily on the maintenance and rehabilitation of roads and to try to use available resources as effectively as possible. It is worth noting, however, that an additional €50 million under a mini-stimulus

plan was provided to local authorities in June this year for works on regional and local roads, and much good work was done over the summer and autumn with that money. A further €50 million has been announced for next year. This funding for next year means that the intended cut of €116 million under the roads capital budget for 2014 will now be a smaller adjustment of €66 million. All this will not come from the maintenance side as the specific and strategic improvement grants have been suspended, although there will be a further cut to maintenance of local and regional roads next year. This remains a very challenging reduction but every effort will be made to make the most out of the very limited resources.

Funding for the NRA will increase next year, with capital funding increasing from €278 million to €308 million and current funding increasing from €40.4 million to €41 million. That amounts to more than €20 million of an increase for the NRA next year, taking account of the fact that work is under way at the Newlands Cross and N11 sites. It is hoped that work will start on the Gort to Tuam project in the new year.

Deputy Timmy Dooley: I thank the Minister for clarifying the numbers, and as he indicated, that takes account of the fact that a number of new projects are coming on board. It is greenfield development. I am concerned about the existing road network, including the sections which are the responsibility of local authorities. The Minister has outlined his position on that delineation of duties. Ultimately, the Exchequer is responsible for the collection of taxes and the allocation of moneys to local authorities and the NRA. It is not adequate to take a hands-off approach and indicate it is the business of these bodies alone, as we know times are tough and they must get on with it.

Has the Minister sought an impact analysis of the reduction in spending and the capacity of bodies to maintain roads? Has he considered whether the deterioration in road infrastructure could possibly be leading to an increase in deaths on the road? I do not want to make a political point about this but the Minister does not need me to tell him that year on year there has been a significant increase in the number of people killed on the roads this year. It is a worrying trend and we must consider all the potential causes for same.

Deputy Leo Varadkar: I can guarantee that I have an ongoing battle to find money to repair roads and I am of the view that it is more important to maintain existing infrastructure than build new infrastructure. The Minister of State, Deputy Ring, is very active in that space as well, and particularly with regard to county roads. There has been some success: the State grants for regional and local roads last year amounted to just over €400 million and the previous year the funding was €377 million. I do not wish to be boastful but there are not many Ministers who can say that budgets are being increased. Local authorities have got the message on own resource expenditure and have put their own money into roads, as last year they put €151 million into such projects as opposed to €136 million the previous year. That allowed much work to be done last summer and autumn to improve roads.

With regard to road safety, we had a meeting on Monday of the high-level ministerial committee on road safety, which involves me and the Minister for Justice and Equality, Deputy Shatter, as well as gardaí and other parties. We examined the increases in road deaths this year and there is no clear reason to explain it, although we have many statistics. Interestingly, although road deaths have increased in every region in Ireland, there is one exception in the west, where there has been a significant reduction in road deaths. People tell me that is where the

roads are the worst nonetheless.

Deputy Mattie McGrath: There is nobody left there.

Air Services Provision

5. **Deputy Mattie McGrath** asked the Minister for Transport, Tourism and Sport his plans for the State's stake in Aer Lingus; if he considers it is of any strategic value to the State; the role the State gains from its stake; the financial benefit it is returning to the State; and if he will make a statement on the matter. [47289/13]

Deputy Mattie McGrath: What is the current position of the State's share in Aer Lingus and the Minister's views on the strategic airline, especially in view of attempts by rivals to buy out shares? Will the Minister make a statement on the matter, as the airline is of strategic importance to the country?

Deputy Leo Varadkar: In 2006 the State retained a minority stake of 25.1% in Aer Lingus when the initial public offering of shares in the company took place. The minority stake was retained to protect the State's interests at that time. Since that time, the trend towards consolidation in the airline industry has accelerated and competition for short-haul and, in particular, long-haul air services in the Irish market has increased. In 2012 the Government included the Aer Lingus stake among the possible assets to be sold under the State asset disposal programme but agreed that the stake would only be sold when market conditions were favourable and if acceptable terms and an acceptable price could be secured for the stake. It remains the case that the Government is willing to sell its stake but I stated recently that I find it unlikely that a buyer willing to offer the right price and accept appropriate conditions will emerge in the near term. The ongoing pension deficit issue and legal challenges to the EU and UK regulatory authority decisions on Ryanair's stake creates major uncertainties for any potential buyer.

The 25% stake has proved helpful in protecting the State's interests in the past. It made the Government a key stakeholder in the three takeover attempts, which successive Governments have opposed. It also gives the Government an important say in any proposal to dispose of Aer Lingus's valuable slot portfolio at London Heathrow Airport and gives the Government the right to nominate up to three directors on the board. The Government will continue to manage its shareholding actively, with the aim of maximising the value of the shareholding, securing dividends and encouraging new routes and additional capacity where commercially viable. Since 2012 the company has paid two dividends to the Exchequer totalling in the region of €9.4 million in respect of financial years 2011 and 2012

Deputy Mattie McGrath: The Minister has quoted many facts and figures but he has not really answered the core question of what appreciation the Government has for the stake in the airline and its strategic importance to the nation. The Government is speaking a lot about getting back our sovereignty but we need our national airline. We are aware the Government has held a 25% share since 2006, as mentioned by the Minister, but a sale is nonetheless possible. He has indicated it is not being sold because he cannot get the right price but if there is a good offer, will it be sold? This is creating much uncertainty for staff, shareholders and everybody who wants to use the airline. He has not really answered the question of what value is placed

on the airline by the Government and what gains are being made by the Government through the current operation of the airline. It is our national carrier and brings in traffic to the country.

Deputy Leo Varadkar: To be clear, Aer Lingus is not our national airline and we do not have a national airline *per se*. It is a public limited company traded on the stock market and the Government owns a share of that company. The Government's position is as it has been for quite some time and we are willing to sell the stake but only at the right price and only to the right buyer. It should be under the right terms and conditions. At the moment I see those conditions as being very hard to meet because there is such uncertainty both with the pension deficit and the case involving the Ryanair stake. Whether Ryanair will have to sell down will have a large bearing on the situation.

The privatisation of Aer Lingus has been a success story. This is a company that used to require State support and now it pays a dividend. It is also a company that used to be in serious financial trouble and it has recently had its best quarter ever, is making profits and is expanding. It is a good example of how the sale of State assets can be in the public interest.

Deputy Mattie McGrath: I must correct what I said. People have an affection for the airline and they regard it as part of Irish culture. I accept that when the outcome of the Ryanair case is handed down by the EU Commission, it will have a major impact. There is a value to the State in having a stake in the airline as it is returning dividends, but it has more than a financial value. The question is how we feel about Aer Lingus and its value to the country.

Deputy Leo Varadkar: The value is evident in a number of ways, including the value of the stake itself and the dividends the company can pay every year. Value is also evident in the employment Aer Lingus provides and the connectivity it provides to the rest of the world. We are an island nation and that is more important to us than to most nations. We cannot rule out the possibility that there could be a buyer in the future who would be willing to retain the brand and expand the airline rather than breaking it up and who would be willing to pay a very good price. The Government has not ruled out the sale of the remaining stake. We will do it if it is in the interests of the country as a whole and not just to raise a bit of money in one particular year.

Other Questions

Tourism Project Funding

6. **Deputy David Stanton** asked the Minister for Transport, Tourism and Sport the progress that has been made in developing Spike Island as a tourist attraction; and if he will make a statement on the matter. [46977/13]

10. **Deputy David Stanton** asked the Minister for Transport, Tourism and Sport the actions being taken to promote and develop the tourism potential of Spike Island and the Cork Harbour area; and if he will make a statement on the matter. [46978/13]

7 November 2013

Deputy David Stanton: I ask these questions in light of the recent welcome decision by Fáilte Ireland to approve the application by Cork County Council for funding for the Fortress Spike Island project. As the Minister of State is aware, the island is in Cork Harbour. There are three strands to the project: the military history of Spike Island and the Cork Harbour defence, the prison life and transportation stories and an artillery and military equipment display. I am interested in the plans to develop this fantastic resource in the centre of Cork Harbour.

Minister of State at the Department of Transport, Tourism and Sport (Deputy Michael Ring): I propose to take Questions Nos. 6 and 10 together.

While my Department provides capital funding for investment in tourism product development through Fáilte Ireland, it is not directly involved in the development and promotion of tourism attractions. However, I am informed that the board of Fáilte Ireland recently approved a grant of €2.5 million to Cork County Council for the development of the Fortress Spike Island experience.

The Fortress Spike Island project is to be developed around three principal themes - military heritage, penal heritage, and stories of enforced transportation. These themes will allow visitors to get a real sense of the place of Spike Island in Irish history and indeed the wider history of the British Empire and the world. These are also areas in which there is strong interest, both in Ireland and overseas, especially Great Britain. It also resonates with the decade of centenaries that we have now entered on the island of Ireland. I am informed that the council presented a detailed market assessment indicating that the proposed development on Spike Island will have a broad appeal across many international tourism market segments.

I also understand that Cork County Council placed its application for funding in the context of the interpretive framework for Cork city and harbour, which was commissioned by Fáilte Ireland to guide the tourism development of the area. That will place Spike Island as part of the wider effort to maximise the tourism potential of Cork and its harbour in coming years, which the tourism agencies will continue to support directly and indirectly. I look forward to the completion of the Fortress Spike Island experience, which will play a key part in the development of tourism in the Cork city and harbour area in the coming years.

Deputy David Stanton: I thank the Minister of State for his positive reply and for the assistance and support he has given to this important project for Cork Harbour and the region. I have three short supplementary questions and I would appreciate it if you will allow me to come in later after the Minister of State's response, a Leas-Cheann Comhairle. As the Minister of State indicated, we are now within the decade of centenaries and next year we will commemorate the start of the Great War, which took place from 1914 to 1918. Would the Minister of State consider asking Cork County Council and Fáilte Ireland to jointly organise a series of events and a conference to highlight the role played by Spike Island and Cork Harbour in the Great War? Would he also consider asking Fáilte Ireland and Tourism Ireland to arrange for public advertising and television documentaries that could be shown in Britain and elsewhere to highlight the significant role played by Irish people in the Great War and to encourage British tourists to come and visit the many military sites constructed by the British, including Spike Island in particular?

I recently read about Spike Island and the thousands of people who died there. The activi-

ties that went on were amazing, but they have been air-brushed out of history. The Great War is a huge historical event and it is justifiable that it should be commemorated now.

Deputy Michael Ring: There has always been a great interest in all aspects of history in this country. People come here to find out about matters of historical interest. We will deal with the positives first. A project worth €2.5 million in Cork Harbour is a welcome development that will add to the tourism product in the Cork area. In addition, the Wild Atlantic Way in Kinsale and west Cork will make Cork a major tourism attraction.

I have no difficulty asking Fáilte Ireland to talk with Cork County Council, because local authorities and Fáilte Ireland should work together. Every council in this country should have a tourism remit, because that is the way forward and that is an area in which we will create jobs. I have no difficulty asking Fáilte Ireland and Cork County Council to see whether they can work out a plan for next year.

Deputy David Stanton: I am sure the Minister is aware that more than 40,000 people were transported to Australia and Tasmania up to 1893. A significant number of those so-called convicts were transported through Spike Island and Cork Harbour. Would the Minister of State consider the construction of a national memorial on Spike Island and also to arrange for a similar memorial to be constructed in Australia? That would strengthen the links between Ireland and Australia and recognise the significant role Irish immigrants played in Australian life. Spike Island was the largest prison ever built in Britain and Ireland. At its peak, 2,300 felons were held there. It is really important to make the linkage for tourism and other reasons now that Spike Island is being developed.

Deputy Michael Ring: A memorial would be a matter for the Minister for Arts, Heritage and the Gaeltacht, Deputy Deenihan, and I advise Deputy Stanton to raise the matter with him. I am aware of the military and penal heritage of Spike Island and its transportation history. Everyone in the country knows that Spike Island was a prison. IRA prisoners, among others, were incarcerated there. The island has a major history. I wish to see the €2.5 million being spent and the project being developed. The project will add to the tourism product available in Cork, particularly in the harbour area.

As Deputy Stanton is aware, it took a long time to put the plan together. The plan had to go back to Fáilte Ireland for a second time. I hope the project can be brought to fruition with the funding provided by the county council and the Leader programme. It will be a great addition to the tourism product. I look forward to the development and I hope it will become one of the major tourism attractions in the Cork area, particularly in the harbour area. Having a water amenity such as the harbour is an asset to an area. I am pleased to see Cork using it.

Deputy Sandra McLellan: I welcome the capital funding from Fáilte Ireland, which was a huge boost to the east Cork area. The history of the area is significant. There is potential to attract tens of thousands of visitors to the area each year. In order to be successful we must promote the development both domestically and internationally. What is being done in that regard and what category of tourist do we want to attract?

Deputy David Stanton: Is the Minister of State aware that 1 million Australian tourists visit the United Kingdom each year and that they spend more than £1 billion there? Does he agree that there is a major opportunity to highlight the connection between Spike Island and Tasmania in Australia and to link the areas? Would the Minister of State consider arranging for

the designation of the artillery and military equipment display in Spike Island as the national artillery and military equipment display? Does he not agree that this would be a fitting tribute to the role played by the Defence Forces, particularly in light of the centenary of the 1916 Rising in 2016?

Will the Minister of State consider bringing together three elements of his portfolio, namely ports, public transport and tourism, to establish a public water taxi system in Cork Harbour similar to the one operating successfully in other countries? Does he agree that this initiative could be the stimulus for the development of a significant tourism product in Cork Harbour that would demonstrate how joined-up, imaginative thinking could stimulate significant tourism growth in such a beautiful area? This is within his power. It would complement the great work being carried out by Cork county and city councils, Port of Cork, Fáilte Ireland, UCC and CIT. It would make Cork's harbour and city and Spike Island significant tourist destinations.

Deputy Michael Ring: With regard to Deputy McLellan's point, people all over the world love to return to Ireland to check out its history and military heritage. It is a great tourism attraction.

On Deputy Stanton's question, I want to see the development built. The Deputy is quite correct that this could be discussed with Fáilte Ireland and the council. It would certainly be under the remit of the Minister for Arts, Heritage and the Gaeltacht, Deputy Jimmy Deenihan. Too many artefacts around the country are in storage in buildings in this city and elsewhere. I would like to see them on display such that they could be seen by the people. I would love to see historical artefacts pertaining to Cork brought there, just as artefacts found in Mayo have been brought to the museum in Castlebar where people from Mayo and all over the world can see them when they visit. The location in Cork was a military base and I would love to see it developed. The first step entails the €2.5 million, the Leader and county council money, and getting the development built. Thereafter, the council and Fáilte Ireland can discuss how it can be developed further. There is great potential.

Driver Licences

7. **Deputy Michael Moynihan** asked the Minister for Transport, Tourism and Sport his views on the initial difficulties of the new national driver licence service to operate effectively; and if he will make a statement on the matter. [47149/13]

Deputy Michael Moynihan: I seek the Minister's views on the difficulties associated with the national driver testing services and the difficulties experienced in many of the offices around the country. Will he make a statement on the matter?

(Deputy Leo Varadkar): I thank the Deputy for raising this important matter. Under the terms of the Road Safety Authority (Commercial Vehicle Roadworthiness) Act 2012, the Road Safety Authority, RSA, became the national driver licensing authority as of January this year. With effect from 19 January, the new credit card-style plastic card driving licence was introduced in all EU member states, replacing existing paper licences. Between 19 January and 25 October, local authorities continued to provide customer services relating to driving licences on behalf of the RSA. On 29 October last, the RSA assumed full responsibility for the service. The RSA designed the new centralised driver licensing system around a central unit within the authority in Ballina and three outsourced contracts. The contracts include one for a front-office

service which engages with the public, a second for a back-office service to process applications, and a third for the production of the plastic card licence. These contracts were awarded by the RSA following competitive procurement processes in which neither my Department nor I had any direct role.

Under the front-office contract, provided by SGS Ireland on behalf of the National Driver Licence Service, customer services are offered at 34 full-time centres and two part-time centres around the country. They are open from 9 a.m. to 5 p.m. from Monday to Friday and from 9 a.m. to 2 p.m. on Saturdays. They remain open through lunchtime. This is a considerable improvement as the new opening hours are longer and more flexible than when the service was provided by the local authorities. Furthermore, people will be able to use any of the offices to apply for or renew their licence rather than having to attend at their own local authority office, as was the case previously. The new network provides services to 95% of the population within a 50 km radius.

The requirement to attend in person only occurs once, namely, when the person receives his first credit-card-style driver licence under this new system. On that occasion, the person's image is captured through the SAFE 2 system and they have their identity verified in person. This is an important measure to prevent fraud. After attending once in person, people can renew their licence through the postal system and are not required to attend the centres in person again, when their licence needs to be renewed or updated.

Additional information not given on the floor of the House

Under the new regime, there is a target to process driver licence applications within eight days. I understand that there were some teething issues with the launch of the new national driver licensing service on Tuesday, 29 October, that the RSA informs me have now been resolved.

There has been a high level of demand for the service since it opened. The RSA has advised me that a number of solutions have been put in place to address the earlier difficulties experienced. These include the assignment of additional staff, the rolling out of a further information campaign and the deployment of a manual booking system which applicants can avail of.

As I stated earlier in the week in response to a Topical Issue query on this subject, the move to a centralised driver licensing service is the right one in the longer term, and it will provide a better service to the public in addition to greater security and better value for money. While there have been teething troubles in the new system, I am satisfied that these are being dealt with quickly and effectively by the RSA.

Deputy Michael Moynihan: I thank the Minister for his reply. Does he accept that there were difficulties at the very outset in regard to the service? Is he satisfied that those difficulties have been ironed out across the 34 centres that are open for business?

Deputy Leo Varadkar: I accept that there were considerable difficulties, particularly in the first week, for a number of reasons. They were just teething problems. This is always the case with a new service. No matter how much testing one does on a computer system, the model is never the same as the one that applies in reality. There was a lot of demand. It was a half-term week so it was busier than expected. There was a backlog of applications that had not come through the local authorities. Extra staff are now in place. There is an informal booking arrangement in some local authority areas and there will be a more formalised booking arrange-

ment in the next month.

I am not 100% satisfied that the issue is fully sorted. I met the interim CEO of the RSA to discuss this on Monday. This week, there were far fewer problems than arose in previous weeks. I am confident that any remaining issues can be ironed out in the next week or two.

Deputy Michael Moynihan: Did the Minister say the local authorities have a formal or informal mechanism through which one can book?

Deputy Leo Varadkar: It operates not through the local authority but through the new service. It will now be possible to book an appointment at a particular time, which means it will be less likely that people will have to queue.

An Leas-Cheann Comhairle: If Deputies have long supplementary questions, I will not be able to take any more. Other Deputies want to ask their questions.

Deputy Patrick O'Donovan: I will be very brief. I ask the Minister to examine the location of the centres again. I have raised this with him before. Let me refer to my part of the country, Limerick. Limerick is over 100 km from Tralee. While 95% of the population are within a 50 km radius, more than 250,000 are not. I ask that the locations be examined, perhaps with the option of having part-time ones. Could the Minister encourage the RSA to have mobile centres?

Deputy John O'Mahony: I wish to back up what Deputy O'Donovan just said. The headquarters of the RSA are in Mayo but there is not a centre in Ballina, for instance. Perhaps that could be examined. The bookings initiative is welcome because an initiative of that kind sorted out issues at the Passport Office a number of years ago. It would help in this instance also.

Deputy Leo Varadkar: With regard to locations, it is important to bear in mind that the licences are licences for drivers. By and large, people with driving licences have access to a car even if they do not necessarily own one. Applying for the licence is something one has to do once in one's life, not every year or couple of months. Even people who live in remote rural areas drive to the cities or big towns more than once in their lives. The fact that they can now make an appointment means they can combine their journey with a shopping trip or hospital appointment, for example.

The system will have to be bedded down over the coming weeks. At that point, we will review it and determine whether it is necessary to have additional centres, mobile centres or part-time centres, particularly in areas where there is a geographical gap. I would like the system to be bedded down first. It is important to bear in mind that additional centres will come at an additional cost, which would have to be passed on to those applying for a driving licence.

Public Procurement Contracts Social Clauses

8. **Deputy Jim Daly** asked the Minister for Transport, Tourism and Sport if he will consider providing for the inclusion of local and social employment clauses in any future capital projects to be progressed by his Department; and if he will make a statement on the matter. [46951/13]

241. **Deputy Jerry Buttimer** asked the Minister for Transport, Tourism and Sport if he will provide for the use of social or local employment clauses in future capital projects under his

Department's remit; and if he will make a statement on the matter. [47472/13]

Deputy Jim Daly: In light of the stimulus programme worth €2.25 billion, what steps is the Department taking to ensure there are social and local employment clauses in any contracts issued, especially with the upcoming national sports centre development, the capital sports grants, roads building etc.?

Deputy Leo Varadkar: I propose to take Questions Nos. 8 and 241 together.

My colleague, the Minister for Public Expenditure and Reform, who has overall responsibility for public procurement has advised the House that it has been decided to adopt a targeted approach to the inclusion of a social clause in public works contracts in the context of the Government's €2.25 billion stimulus programme. The public private partnership, PPP, element of the programme, at some €1.5 billion, will require an estimated workforce of 13,000. This offers an excellent opportunity to target the long-term unemployed. In order to avoid displacing existing workers, the focus will be on contracts where employers are likely to be hiring additional workers.

The National Development Finance Agency, NDFA, is leading the implementation of the measure, initially through the devolved schools programme which it is managing on behalf of the Department of Education and Skills. It has commenced tendering for a number of schools which will act as a pilot for the introduction of the social clause. In essence, the clause will require contractors to ensure 10% of the "person weeks" required to deliver the contract will be performed by individuals recruited from the ranks of the long-term unemployed and that 2.5% of the "person weeks" take the form of a registered scheme of apprenticeship or similar national training or educational work placement arrangement. The performance of the clause will be reviewed during the operation of the pilot and, subject to its satisfactory operation, included in the wider PPP programme.

Regarding the application of a social employment clause within my Department's capital programme, I am happy to announce that the National Roads Authority, NRA, which is responsible for the largest portion of the capital programme, intends to incorporate a social clause into the roads PPP programme. Specific projects envisaged are the N25 New Ross bypass PPP and the M11 Gorey-Enniscorthy PPP. The NRA will work closely with the NDFA and take account of the experience and results of the pilot programme under way. Depending on the success of the clause, there are other elements of my Department's capital programme which could adopt this approach, including the development of the National Sports Campus in Abbotstown, Blanchardstown.

Deputy Jim Daly: I welcome the Minister's response and confirmation because the single greatest challenge for us is getting people off the long-term unemployment register and back to work. Every Department has a part to play in this task. One of the more notable successes of the Government is that the Department of Social Protection has moved away from just issuing cheques and is now heavily involved in labour activation measures. Every other Department must step up to the mark on that front, too. It is important, when Departments are spending their budgets, that they do so with a social conscience and target the long-term unemployed. I am delighted with the Minister's proactive approach to this issue and his Department's determination to assist the long-term unemployed by ensuring some of the billions it is spending are directed towards them. There is also a local element to this issue. Many of the projects cross several Departments, be they school building, road projects and so forth. A lot of those employed on

such projects can travel from 20 counties away and it is hard to understand how this happens or justify it. I urge the Minister to place more emphasis on local employment initiatives, where possible.

Deputy Leo Varadkar: I welcome the Deputy's comments. This is very positive news. The social clause will apply such that some people who are long-term unemployed will be employed on these contracts. The requirement to take on apprentices is also very positive and particularly important in the construction sector. However, we must always be aware of the law of unintended consequences. Many people who run small construction firms, particularly sub-contractors, have between ten and 20 staff who move from job to job. We want to avoid a situation where they would have to lay people off to take people on just to satisfy the social clause. That is why we are going to move expeditiously but cautiously with these new arrangements.

An Leas-Cheann Comhairle: Question No. 9 is in the name of Deputy Robert Troy who is not present. The next question tabled by a Deputy who is present in the Chamber is Question No. 11 which is in the name of Deputy Kieran O'Donnell.

Question No. 9 replied to with Written Answers.

Question No. 10 answered with Question No. 6.

Tourism Project Funding

11. **Deputy Kieran O'Donnell** asked the Minister for Transport, Tourism and Sport his views on the provision of a diaspora centre as an iconic tourism attraction; and if he will make a statement on the matter. [46982/13]

47. **Deputy Mary Mitchell O'Connor** asked the Minister for Transport, Tourism and Sport if he will provide an update on the provision of a diaspora centre; and if his attention has been drawn to Dún Laoghaire Harbour Board's plans in this area. [46966/13]

237. **Deputy Jerry Buttimer** asked the Minister for Transport, Tourism and Sport his views on the provision of a Diaspora centre as an iconic tourism attraction; and if he will make a statement on the matter. [47468/13]

Deputy Kieran O'Donnell: This question asks the Minister for his views on the development of an iconic diaspora centre as a tourism attraction in Limerick, which I represent. The Limerick local authorities and the Shannon Airport Authority are working on a joint bid. I would like the Minister to give an indication of the timeframe envisaged. It is my understanding that expressions of interest will be sought before the end of the year and a decision made by the middle of next year. I await the Minister's response.

(Deputy Leo Varadkar): I propose to take Questions Nos. 11, 47 and 237 together.

The Government's infrastructure and capital investment framework 2012-16, published in November 2011, includes a commitment to support for a diaspora centre or museum, should a suitable project and partner be available. Accordingly, I asked Fáilte Ireland to carry out a scoping study of the development of such a centre and the most suitable means by which it could be financed, developed and managed. I received the outcome of the scoping study earlier this year. Following consideration of the appropriate next steps, I have decided that expressions

of interest should be sought to establish if there is a suitable project and partner available to develop a diaspora centre.

My Department and Fáilte Ireland will be making the necessary arrangements for a call for expressions of interest along these lines in the near future. Aside from detailing their proposals, applicants will be asked to present a funding model to build and operate and to indicate the level of State support they would need. In this context, I am aware of a number of prospective projects across the country for which proposals are at various stages of development. A number of interested parties, including Dún Laoghaire Harbour Company and the Limerick diaspora group, were consulted as part of the scoping study. It will, of course, be a matter for those advancing the proposals to consider whether and on what basis they might respond to the forthcoming request for expressions of interest.

On the question of the timeframe envisaged, I do not have it exactly tied down, but the Deputy's estimation is in the right ball park.

Deputy Kieran O'Donnell: I thank the Minister for his response. It is welcome that he expects the Department to seek expressions of interest by the end of the year and that a decision will be made on the location of a national diaspora centre by the middle of next year. Limerick will be the city of culture in 2014 and is ideally located, with Shannon Airport on its doorstep. The fact that a formidable joint bid is being made by the Limerick local authorities and the Shannon Airport Authority augurs well. Furthermore, this is about bringing tourists to Ireland. The fact that Limerick will be the city of culture in 2014 makes this an ideal legacy project for the city and would showcase it for Ireland Inc. What does the Minister envisage will be required of those submitting expressions of interest? How will the Department's specific requirements be relayed to the various bodies involved?

Deputy Leo Varadkar: The scoping study is very interesting and shows a broad range of options. It envisages a building of 6,000 sq. m, half of which would be visitor space, and visitor numbers of 300,000 per year. It estimates that the cost of delivering the facility could be between €20 million and €30 million for a new building, €13 million to €25 million for an existing building or €5 million to €15 million for an existing institution. Needless to say, that is not the kind of capital I have available in my budget; therefore, we will be asking interested parties to state how they would raise most, if not all, of this money. In terms of location, the scoping study advises that the centre should be near a large population centre, have a high concentration of tourists and good transport connections. It should also ideally but not necessarily be near the sea, given our history of emigration. There should be supporting attractions nearby such as cafés, bars, shops and other facilities.

Deputy Mary Mitchell O'Connor: I thank the Minister for answering my question. I listened closely to what he said about good transport links and so forth and assure him that Dún Laoghaire ticks all of the boxes on his list. He made reference to funding and various other aspects of the project, but he has not made any reference to the historical context of such a centre. Dún Laoghaire would be the strongest contender in that context, given that millions of Irish people left from Carlisle Pier for England, America, Australia and many other parts of the world. Will the historical context be taken into consideration?

Deputy Leo Varadkar: Yes, it will be. That is one of the five points to which I referred. Point No. 4 refers to the sea, given the history of emigration from Ireland by sea, although these days people emigrate by air. There are a lot of very good ideas and I do not have a favourite.

The committee established to make a decision will have to do so independently. A key aspect will be the capacity of any proposed project to bring capital to the table and also the capacity to be able to operate on a break-even basis within a few years. Most big attractions can do so with some help in the first few years.

Deputy Kieran O'Donnell: Does the Minister envisage that he will be appointing consultants to oversee this project? Has he an idea of the number of expressions of interest he will be looking for from various groups? The Limerick diaspora group, of which I am a member, has met with the Minister and his officials. Will he give us a further flavour of the process and how it will work?

Deputy Leo Varadkar: I am reluctant to answer that question because I do not know the answer yet. We did appoint consultants to do a scoping study. However, I do not want to appoint too many consultants to do everything. There have been a dozen different proposals, some very advanced and considered, others little more than just a bright idea in PowerPoint. The next step is to call for expressions of interest, detail what we are looking for from the different groups and, subsequently, make a decision.

An Leas-Cheann Comhairle: As Deputy McLellan is not present, Questions Nos. 12 and 13 will be taken with Written Answers.

Questions Nos. 12 and 13 replied to with Written Answers.

Sports Capital Programme Applications

14. **Deputy Paul J. Connaughton** asked the Minister for Transport, Tourism and Sport when he will invite applications for the next round of the sports capital programme; if there will be changes to the terms and conditions of the programme and the application process from the last round; and if he will make a statement on the matter. [46976/13]

18. **Deputy Pat Breen** asked the Minister for Transport, Tourism and Sport when he expects to invite applications for the next round of the sports capital programme; if there will be changes to the terms and conditions of the programme; the application process from the last round; and if he will make a statement on the matter. [47060/13]

32. **Deputy Kieran O'Donnell** asked the Minister for Transport, Tourism and Sport when he expects to invite applications for the next round of the sports capital programme and if there will be changes to the terms and conditions of the programme and the application process from the last round; and if he will make a statement on the matter. [46981/13]

41. **Deputy Pat Deering** asked the Minister for Transport, Tourism and Sport when he expects to invite applications for the next round of the sports capital programme; and if there will be changes to the terms and conditions of the programme and the application process from the last round. [46899/13]

44. **Deputy Charles Flanagan** asked the Minister for Transport, Tourism and Sport when applications will be accepted for the next round of the sports capital programme; and if there will be any changes to the terms and conditions of the programme and the application process from the previous round. [46852/13]

45. **Deputy Heather Humphreys** asked the Minister for Transport, Tourism and Sport when he will invite applications for the next round of the sports capital programme; if there will be changes to the terms and conditions of the programme and the application process from the last round; if special consideration will be given to those applications which were unsuccessful in the last round; and if he will make a statement on the matter. [46980/13]

46. **Deputy Alan Farrell** asked the Minister for Transport, Tourism and Sport when he will invite applications for the next round of the sports capital programme; if there will be changes to the terms and conditions of the programme and the application process from the last round; and if he will make a statement on the matter. [46970/13]

49. **Deputy Joe Carey** asked the Minister for Transport, Tourism and Sport when he expects to seek applications for the next round of the sports capital programme; if there will be any changes to the terms and conditions to the previous programme; and if he will make a statement on the matter. [46974/13]

Deputy Paul J. Connaughton: We all know of last year's fantastic success of the sports capital grant programme. No doubt, the Minister could have had three times the moneys involved but it still would not have covered all the applications. I welcome the Department's decision in the budget to release another round of grants this year. Does the Minister see any changes to the application process this time? When should applications be in and decisions made on them?

(Deputy Michael Ring): I propose to take Questions Nos. 14, 18, 32, 41, 44 to 46, inclusive, and 49 together.

I welcome the decision to provide funding for a new round of the sports capital programme, SCP. It demonstrates this Government's understanding of the value of sport from both an economic and health perspective. Sports capital funding is essential for the provision of modern fit-for-purpose facilities that provide opportunities for people to participate in sporting activities across the country. The 2012 round of the SCP saw a record number of applicants, indicating a continuing high demand for such grants.

Departmental officials are working on the details of the new programme, including any changes to the terms and conditions. I hope to be in a position to make an announcement before the end of the year.

My Department has developed a new portal on the Department's website which must be used by organisations to register, to apply for funding, when the programme is open for applications, and to manage the drawdown of any new grants allocated after 2013. The portal also has a growing knowledge base of information on all aspects of the SCP. Any interested organisation should register on www.sportscapitalprogramme.ie.

Deputy Paul J. Connaughton: I welcome the Minister's reply. From the last round of grants, one issue that arose came from clubs whose applications were deemed invalid. Is there any way the Department could streamline the system to help organisations to get their applications in completed and on time? As the Minister knows, there is never enough money to give out. There are clubs up and down the country which want to get access to this funding. It is important when a club is putting together an application, it is done in way that it has the best opportunity to gain access to the funding.

Deputy Michael Ring: I thank Deputy Connaughton for his comments. This time around there will be changes to the application process. As I said earlier, a new website has been set up. Any club intending to make an application should now register on it. We are looking at the last round to see how the process can be improved. In the last round there were 2,171 applications. We are now trying to streamline it. The difficulty that arose was for those clubs whose applications were deemed invalid. We are hoping with this round that, through this new website, we might be able to tell those clubs if their applications are invalid earlier and not to progress with it.

This is the second round of the grants in the lifetime of this Government in very difficult economic times. I compliment my senior Minister and everyone in the Department. We are delighted we got the funding again. We are hoping to have the application process open by the end of the year.

Deputy Alan Farrell: I thank the Minister for his reply to Deputy Connaughton's question. I compliment both Ministers present for bringing around a second round of sports capital grants. In these particular times, it is terrific we are able to invest in sport in our local communities. The last round was a success albeit there were some teething issues. All applicants in Dublin city and county were successful which is extraordinary considering the number of applicants as outlined by the Minister.

I am pleased there is a second round. I know many of my colleagues were eager to notify their local clubs about this which I have done already. It is just a matter now of making sure the process is bulletproof, as robust as possible and as clear and simple as possible. This will ensure when clubs apply online that they will be 100% certain their application is valid before it gets to decision-making time which is where the problem was with the first round.

Deputy Joe Carey: I welcome the provision of funding for this new round of sports capital grants. The confirmation is very timely.

Deputy Timmy Dooley: In time for the local elections next summer.

Deputy Joe Carey: It is but Deputy Dooley will appreciate that County Clare got eight hurling players on the All Stars team which was announced earlier this morning. I congratulate them for this achievement. It demonstrates the value the Government places on sports. The Clare victory in this year's All-Ireland hurling final gave the county's people and economy a huge lift.

Does the Minister intend to change the terms and conditions of the second round of sports grants? When will it be launched? The last scheme had a standard per county grant as well as a regional grant. Will the Minister confirm if this will be the same again this year?

Deputy Michael Ring: Deputy Farrell is correct about the applications from Dublin because of invalid applications, every valid application naturally succeeded. It was an unusual situation. This time we will make it easier for applications. These are voluntary groups so we want to assist them to make the best applications. The last time we put dedicated officials on three or four different counties for organisations to contact.

Deputy Timmy Dooley: It was probably confined to Mayo people.

Deputy Michael Ring: This time these details will be available on the website. We will

make it as easy and as fair as we can.

I want to take this opportunity to congratulate Deputy Joe Carey on Clare on winning the All-Ireland hurling final, my colleagues here on Dublin winning the All-Ireland football final, my other colleagues on Sligo Rovers winning the FAI cup and the Department's Secretary General on St. Patrick's Athletic winning the FAI league,

Deputy Timmy Dooley: And Mayo?

Deputy Michael Ring: There will be some changes to the application process but we have not decided on them yet. We want to get the second round announced as soon as possible. We will make it easier as we learned from the previous round. My staff in Killarney will be there to assist applicant clubs in any way they can.

Deputy Timmy Dooley: I do not want to rain on the Minister of State's parade in terms of the allocation of the funding. While it is welcome, it comes from the national lottery so it depends on people playing it every week and the Government will be selling the licence in the future. It is wrong we do not have an annualised sports capital programme. I welcome the fact the Minister argued for a second round this year. However, it is deeply unfair the way the Department of Finance takes moneys from the national lottery, which was set up for funding sport, elements of education and certain provisions in the health service, as some form of general taxation. That is wrong, and I hope the Minister wins the battle to ensure the moneys generated through the national lottery are provided for sport on an annual basis. The level of funding that went into sports capital projects, particularly in County Clare, has enhanced the capacity of teams to perform at the level they need to in this environment.

Deputy Finian McGrath: Do not forget north Dublin, though.

Deputy Dessie Ellis: I also welcome the sports capital grants. I am trying to figure it out. The national lottery is where we normally got funding for sports projects, but it is being sold off and so much is going to maintenance, construction and road capital projects as well as sports. Will there be an initial surge in capital grants for sports as a result of that sale and how much money is planned to go to sports? Have we safeguarded the national lottery in terms of continuously giving proper returns so we can put them towards the sports organisations?

Deputy Mick Wallace: When does the Minister expect the money to be allocated? How much does he think will be allocated? Some say the allocation was successful last time. It was for some, but most of the money in Wexford went to a privileged few. This time, would it be possible for people to find out if their applications are not as perfect as they should be, which would give them a second chance to rectify any inadequacies? Last time they found out afterwards. It looked as though it was possible for anybody to be refused. The application was very technical and it was almost impossible to tick every box perfectly. This allowed some cherry-picking as to who received it.

Deputy Joe McHugh: I listened attentively to all the stories of sporting success in counties Sligo, Clare and Dublin. It is important not to leave out Jason Quigley's success in Donegal and the Minister's commitment to boxing. He is an advocate for the lesser sports that have not been up there in the national media as much over the years. I compliment him on that. In light of his strong reputation and communication with local authorities and my own local authority, does he see a role for the county council officials to work with his officials in assisting smaller clubs that do not have expertise in making applications or money for consultants to make applications?

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Deputy Michael Ring: I agree with Deputy Dooley. The Minister for Finance takes that money in and there is no such thing as national lottery money any more. Like every other Department we must go to the Department of Finance and fight for our budget. Deputy Dooley is correct. That is why the national lottery was established. It is being sold, but I hope we receive a substantial amount of that money for sports capital funding. We do not know yet what funding we will receive for sports capital projects. We will determine that with the Estimates in the next number of weeks.

We received 2,171 applications and we had €26 million for local schemes and €5 million for regional schemes, so we were never going to satisfy everybody. The one thing I am proud of is that for the first time ever we did it on a *pro rata* basis so that every county got its fair share of this funding. Deputy McHugh is correct; however, I do not see a role for local authorities. I would love if every Deputy could come in and pick what they wanted, but that will not happen.

Deputy Timmy Dooley: I thought that was what the Minister did last year.

Deputy Michael Ring: The Irish Sports Council, the local sports partnerships and the Deputies would all like to allocate the money, but the Department will do it and we will do it as fairly as we did last time. No matter what we do, we cannot satisfy every group.

Deputy McHugh is correct about boxing, which has enjoyed great success over the last few years. We gave boxing €1.2 million two years ago and €1 million this year to go down to grassroots boxing, and as Minister I am very proud of that. That is why boxing is progressing so well, and those involved deserve it because they have worked so hard. They bring in young people and take them off the streets and I compliment them on the job they do. I am delighted with that scheme.

We assisted the local authority swimming pool scheme and worked with the local authorities on multi-use games areas. Since we came into office we have spread the money. We have worked with communities, local authorities and State agencies. The good news is that we will have a second round. I agree with Deputy Dooley that the national lottery funding for sports and arts should have been left in place. We had no round of funding from 2008 to last year. This will be the second round in the lifetime of this Government.

Written Answers follow Adjournment.

Finance (No. 2) Bill 2013: Second Stage (Resumed)

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

Deputy Thomas P. Broughan: I am glad of the opportunity to speak on the Finance (No. 2) Bill. This is approximately the twenty-second Finance Bill I have spoken on in this House, probably fewer than the Leas-Cheann Comhairle. Over the years one tends to focus on the tax expenditures. The tax reliefs in this Finance Bill amount to approximately €526 million. The question arises of whether those reliefs are working in the best way for the economy and society. In our EU partner nations it is often estimated that anything from €10 billion to €13 billion

in additional funding for national budgets evaporates through tax reliefs and taxes foregone.

There were some positive elements to the budget, particularly the introduction of the home renovation incentive scheme. We should have a major social housing programme for many reasons to do with the property market. In principle, section 5 is welcome. The rationale of tackling the shadow economy is behind that section. Some people still feel, however, that the measure will be a token one because the application of the VAT refund on home renovation projects will be through tax credits over two years rather than a direct grant to the homeowner under the amended section 477B(3)(b) of the Taxes Consolidation Act 1997. The most stringent criticism was made within days of the budget by the distinguished economist Mr. Colm McCarthy. I hope it gives another boost to the construction industry because we need to return to building a sustainable 20,000 to 30,000 homes per year, and all the other construction works that go on in upgrading, repairing and insulating our homes.

The start your own business scheme in section 6 is also very interesting. I wonder if it is to some extent a token measure. Over the past quarter century I have been heavily involved in helping small business start-ups on the north side of Dublin. The scheme proposed in section 6 inserts a new section 472AA into the Taxes Consolidation Act 1997. One wonders whether there will be a significant take-up of the scheme given that to qualify individuals must have been unemployed for at least 15 months. It also includes people in receipt of jobseeker's benefit and potentially those who are working part-time. It may be difficult for people to qualify for that scheme.

I welcome the living city initiative.

11 o'clock

I spoke to our new Dublin city manager, Owen Keegan, and to the Taoiseach on the night of the budget about the state of Upper O'Connell Street. It is unacceptable that we have two major derelict sites there and that some street lighting is not working. We are within two years of the centenary commemoration of the major national event in our recent history. I urge the Minister of State to target this issue, provided he is not sent to Brussels as it is rumoured he may be or asked to campaign in the election for that. I suggest he could focus on restoring O'Connell Street to the majestic condition it was in 25 or 30 years ago.

I also welcome section 38 of the Bill which seeks to address problems in regard to this country's international reputation. Like other Deputies, I believe that the proposal in section 7, which relates to the so-called reform of tax credits for separated parents, is a sneaky and unfair way of increasing income tax to be paid by these citizens. Parents who share caring responsibilities have contacted me in large numbers to express their vehement disgust at the provision which they rightly feel is discriminatory.

The change to relief for medical insurance premiums is also a disgraceful measure. It has been noted that changes to the relief for medical insurance and to the DIRT rate will generate approximately the same amount of tax revenue as the bank and pension levies combined. The health budget has been cut drastically and the fanciful figure of €666 million in savings required was presented by the Minister for Health. At the same time, citizens already struggling to keep paying medical insurance premiums will be badly hit.

The increases in the rate of DIRT and the exit tax on life insurance policies, in sections 23 and 30, further discriminate against older citizens. With these caveats, I agree we need to apply

strict cost benefit criteria to all tax reliefs.

Deputy Eamonn Maloney: I will confine my contribution to the areas within the Finance Bill and our recent budget relating to the issue of fraud. I compliment the Department of Finance on the area of the Bill dealing with policing and collecting VAT and the anti VAT fraud measures included. I welcome that, as should all Members. VAT fraud is described in the booklet from the Department as a massive problem. I agree. It is a major problem that has never been tackled as it should have been, particularly during the days when we were told the country was rich. If it was rich, we should have collected the moneys due but that did not happen. I welcome the measures in the Bill relating to VAT. They are the good news.

I want to move on to the issues of tax evasion and white collar crime. Unfortunately, these issues are not tackled in the Bill in the way we would like. This is our third budget and I understand that we are in a difficult position. We have never been bankrupt before. Even when the British were here, they did not leave us bankrupt. It was some of our own who did that to us. We have a responsibility to deal with the significant issues of white collar crime and corporate fraud. These moneys are due in tax to the State. The law is the law and we would not be in our current difficulties if all of the due taxes, VAT, etc., were paid to the State. With those moneys we could tackle the likes of problems referred to by Deputy Broughan, such as social housing. We would have little difficulty in presenting such a programme if we could recoup the moneys owed to the State due to white collar and corporate fraud.

Unfortunately, in this jurisdiction we do not have exact figures in regard to white collar or corporate fraud. Since the foundation of the State we have never had these figures. We must look to the experience of our neighbouring jurisdiction, the United Kingdom, which has a sophisticated fraud authority that can provide figures, the most up to date figures being those for 2011. We are not as articulate about fiddling as the British white collar sector or corporate bodies are, perhaps. I have believed for many years that we in this country enjoy a bit of fraud. We should take steps to put a stop to fraud and hopefully some measures will be included in the next budget to tackle this problem and resolve it.

I will return to the issue of the extent of the problem of white collar or corporate fraud and the 2011 figures from the United Kingdom. I noted that when the budget was announced here, some Members got a little over excited about social welfare fraud and the measures proposed in to deal with it. I have no difficulty in that regard, because fraud is fraud. Those measures should be welcomed by all of us. We can chase and recover every cent that is owed as a result of social welfare fraud and put those moneys into the State coffers, but what is owed in that area pales into insignificance when compared with the level of white collar and corporate evasion in this country. The 2011 comparison figures from the United Kingdom indicate the combined figure, including VAT fraud, is in the region of €4 billion.

We would welcome the recovery of even 50% of that, although I would support going for 100%. We must step up and deal with this issue in the next budget. We will require additional personnel and better co-operation between An Garda Síochána and Revenue. This is the model the British use and it has proved successful. It is all very well for some Members and several members of the media to get excited about social welfare fraud, but they seldom write about or raise the issue of the €4 billion that is owed by guys in fancy suits and fast cars. They manage to get away scot free. They certainly got away scot free during the Celtic tiger period.

I do not present the figure of €4 billion as totally accurate, as it is a figure from the fraud

authority in Britain. We could argue all day as to whether we are better at fraud than the British. I think we are probably better at fraud, but we must do something about it or we will not be able to deal with the issues that need attention, such as social housing. We should not have people sleeping in doorways while there is €4 billion owed to the State. This figure is the figure for just one year, so we must tackle the issue. I have supported every budget and I look forward to supporting budget 2015 and whatever initiatives the Department of Finance proposes to take to recoup these moneys owed to the State.

Deputy Kevin Humphreys: I thank the Minister, the Minister of State, Deputy Brian Hayes, and the backroom people in the Civil Service who facilitated the Bill being brought so quickly to the House. Often this work is not recognised. I recognise the diligent work done in bringing the Bill here so quickly.

Often the Chamber is quite empty when Deputies are speaking, but I know most Deputies use the televisions in their offices to listen in, as I did yesterday. I listened to Deputy Richard Boyd Barrett's call for us to default on the interest payable on the national debt. I was a little shocked, but I suppose I should not have been; I certainly was not surprised. Since he came into the House the Deputy has been more interested in protest than people. We have worked extremely hard to right the finances of the country. The debt about which the Deputy spoke is approximately €200 billion, of which one fifth, or €40 billion, is tied to the banking crisis. This is a huge amount of money and I am as angry as anyone else about it. Anglo Irish Bank has a role in this regard and I hope it will be dealt with in the manner it should be in due course.

Deputy Brian Hayes: The Deputy is provoking the Speaker of the House, I suspect.

Deputy Kevin Humphreys: I know I am.

Deputy Brian Hayes: For the first time he is muted.

Acting Chairman (Deputy Peter Mathews): The Chair has total composure.

Deputy Kevin Humphreys: I read the transcripts of the Anglo tapes published by the *Sunday Independent*. Yesterday I listened to Deputy Pearse Doherty state he had had similar tapes in his possession for more than three weeks. It reminds me of a military tactic where when an army is in retreat, it puts up a smokescreen. That is very much what we have seen this week. We have seen the tapes being held for three weeks by what is called a democratic party. They were not handed over to the Garda or the Governor of the Central Bank but held as a smoke-screen knowing what was coming down the line in documentaries on RTE and other stations.

The size of the rest of the debt is approximately €160 billion. I know the Acting Chairman is biting his tongue to correct me on the figures, but we will work on rough figures.

Deputy Brian Hayes: The Deputy is right.

Deputy Kevin Humphreys: The €160 billion has been spent on public services, social protection payments, capital investment projects and salaries. Defaulting on the €9 billion interest payment per year, as called for by Deputy Richard Boyd Barrett, would destroy many sectors of society and be a highly irresponsible policy. A wing of this House is more interested in protest than solutions. We listen to it day in and day out from the height of the back benches. Such a default would result in the loss of tens of thousands of jobs in the economy reliant on foreign direct investment, but this may suit those more interested in protest than the people. It would

block Irish companies and semi-State bodies from borrowing for investment in future job creation, which would mean higher unemployment figures. Tax revenues would collapse and the State would not be able to provide a safety net as no one would lend to us on reasonable terms.

In the past three years we have slowly closed the deficit, while protecting public spending and the budget will result in a primary surplus. That is the target at which we are aiming and moving towards. This has caused grave difficulties for citizens and the Government. However, through hard work and diligence and the pain inflicted on Ireland, we are slowly coming through. Default, as Deputy Richard Boyd Barrett wants us to do, would destroy the very same services which he articulates in passionate terms that he wishes to protect. Are parties represented in the House more interested in protest than in solutions? The Government must take some credit for the renegotiation of our debt rates and promissory notes. We always hear that this would have been obtained anyway, but it would not; it was delivered through hard work and diplomacy.

Deputy Mary Lou McDonald stated she did not want to hear Labour Party or Government backbenchers crowing. I do not come to the House to crow. Deputy Timmy Dooley, the face of what happened to the country, sits there and laughs. I celebrate every additional job created in my community. I celebrate every child being taught in a classroom rather than in a prefab. During the boom years children were in prefabs 12 or 14 years old. The Government is building classrooms, which should be remembered. Deputy Timmy Dooley should take his giggle and go. Fianna Fáil promised us constructive opposition, but this promise faded very quickly with the submission made on the budget. This is not surprising, given that Deputies Micheál Martin, Willie O'Dea and Billy Kelleher put the country in hock, caused the bailout and brought the troika here; therefore, they should cost their budget submission. Out goes responsible opposition and in comes a policy of spend and bust again, one which Fianna Fáil has given to the country for decades.

I thank the Minister for Finance, Deputy Michael Noonan, for his remarks that he will consider amendments on Committee Stage to the proposed single parent child carer credit. All of the calls to my office on this issue have been from fathers, many of whom are responsible and pay maintenance week in and week out. I ask the Minister to consider a range of proposals to alleviate and improve the measure. If the partnership tax relief can be phased out over four years, there is no reason the same could not be done in this regard. Many maintenance costs are established through court proceedings. I accept the Minister's commitment to examine this issue in a favourable manner.

The retention of the 9% VAT rate for the tourism and hospitality industry is very welcome. Many people in my constituency have secured jobs in restaurants, hotels and related tourism activities. Many high-tech companies such as Facebook and Google have expanded in recent years in my constituency. Many of those who have become unemployed are unable to take up these positions.

I give a guarded welcome to the abolition of the travel tax and look forward to seeing Ryanair deliver the promised 1 million extra visitors. I ask the Minister to examine this issue next year because if the extra visitors are not delivered, we should consider reintroducing the tax. It should be conditional on the delivery of the extra visitors. The tourism industry has delivered jobs in restaurants and hotels and we have seen economic growth. If this measure works, it will be very welcome, but if it does not work and does not deliver the extra visitors, there should be no problem with reintroducing the tax. This should be put down as a benchmark.

I urge the Minister not to change the tax filing date as it will be very hard for people in small and medium enterprises to accurately forecast after six or eight months their end of year tax bill. The Department of Finance and the Revenue Commissioners have shown their ability in recent years to accurately forecast tax returns. There is always a risk that no matter what the filing date is that the outturn will be different. Deputy Penrose raised with me that this is also quite a concern in rural Ireland, as it certainly is in urban Ireland. I ask the Minister to look at this issue. Self-employed people could be asked to submit through Revenue online an estimate of their end-of-year return to help budget forecasting but no interest or penalties should apply if it proves to be wrong. This would allow us to maintain the current arrangement and give the Department some needed data. We have moved to help SMEs with cash flow by adjusting the VAT threshold so it would be bizarre to do the opposite for the self-employed by moving the file and pay date.

I welcome the home renovation incentive. I recall my colleague, Deputy Derek Nolan, raising this issue last year. He believed we could stimulate employment in this area, particularly as there are so many people from the building industry who are unemployed. This will help to tackle the black market in the building trade, reward compliant builders, encourage people to spend and help growing families who may need more space in their homes. The move is very welcome.

The extension of the Living City initiative to Dublin and to all properties built before 1915 has the potential to transform our Georgian core and urban villages. I hope that approval can be sought from the EU under state aid rules without delay, given we need to move on this very quickly. In my own constituency, there is a glut of pre-1963 houses, which are mostly Georgian or Edwardian. This initiative will help to return them to being family units because older houses are extremely expensive to renovate. Having these homes come onto the market will help to build up a strong community in areas like Rathmines, Rathgar and Ranelagh, where families are moving back in. I will conclude on that point. I thank the Minister.

Deputy John Browne: I wish to share time with Deputy Dooley.

Acting Chairman (Deputy Peter Mathews): Is that agreed? Agreed.

Deputy John Browne: I welcome the opportunity to speak. To many people, the Finance Bill seems unfair. It provides no clear vision and no sustainable solutions to the major challenges that Ireland faces into the future. There are a number of changes included in the budget that will have a significant effect on people's lives, including the increase in DIRT tax, the reduction of the tax credit on medical insurance and the abolition of the single-parent tax credit. People who saved either by putting money aside for their pension or on deposit in a bank are being hit by these punitive taxes. While I welcome a certain number of measures which are designed to help the construction sector, there is a complete lack of action on the spiralling mortgage crisis.

The Minister talked about the €500 million jobs package and, certainly, some of the measures in the jobs package are very welcome. However, we are now in a situation where there is a two-tier Ireland. Dublin seems to be moving on and expanding, with a lot of good news in the Dublin area. However, in rural Ireland there are major issues in small towns that are dying on their feet, with retailers under pressure and small businesspeople unable to get funding, while the banks treat them as second class citizens. Not alone are the banks not giving money to develop or expand, they are actually withdrawing or reducing overdrafts. I have come across many people in my own constituency who have had their overdrafts substantially reduced by

the banks, which is making it very difficult for businesses to survive.

This is an area that needs serious reflection. It is important to recognise that small business-people and retailers provide huge numbers of jobs up and down the country, but, certainly in the smaller towns, there is a major difficulty at present. As I said, retailers are under pressure, they are letting go employees and closing down their shops. If one walks the streets in any of our urban centres at present, one will find anything up to 15 or 20 shops closed down, with the subsequent loss of jobs.

The extension of the pension levy into 2015 is an about-turn by the Government given it had said it would end this year. The levy is taking €2.25 billion from pension funds, many of which are already in deficit. It is important to ensure that the pension system is secure, fair and straightforward. Given the manner in which benefits for the elderly have been systematically eroded by the Government, there has never been a greater need for such a safety net. The Minister for Finance claimed that extending the levy would make provision for potential State liabilities which may emerge for pre-existing or future pension fund difficulties. This underlines the unfairness of the levy as it will also hit defined contribution pension schemes even though they cannot benefit.

The medical insurance tax relief is an area the Minister for Finance should revisit. The Government said this change would affect gold-plated policies but we are all aware that it will impact on approximately 90% of all private health insurance products currently on the market. Customers will end up paying more for their health insurance but more important, and of greater concern, is the fact many people are now being driven out of the private health insurance market despite the Government's stated intention of creating a system of universal health insurance. While we do not know when that will happen, as the Minister is aware, many people are leaving the private health insurance market at present because they just cannot afford to pay. This will add to the burden on hospitals in the public sector, which, as we know, are already overburdened, with people waiting a long time for assessments and operations. To have an extra burden placed on them through people leaving the private health market and going into the public system will only add to the problem.

Of all the issues in the budget, the change to the one-parent tax credit is the one that has caused a major storm. I have had a huge number of representations from people affected by this change. The manner of the change will discriminate against fathers in particular because the new single-parent tax credit will only be available to the recipient of child benefit. I welcome the fact the Minister for Finance said in his opening speech he would revisit the situation. I received a letter from a constituent which I have sent on to the Minister. It asks a number of questions, and states:

Before the credit can be split, it must first be designated. To whom would the Minister propose to designate it? If it goes in the first instance to the primary carer, then we are firmly looking at indirect gender discrimination and I trust that the State would not willingly enact such a measure.

A lot of concern is being expressed about this change. As I said, I welcome the fact the Minister will re-look at this because it seems to cause major problems. Fathers in particular have been writing to me on a large scale to express serious concern. I hope the Minister will see fit to change this because it will be discriminatory and will drive people on lower incomes into further poverty. It is generally accepted from the pundits out in the real world that the proposal

will hit very hard on separated and divorced fathers in particular.

The retention of the 9% VAT rate is welcome. The restaurant owners and hoteliers certainly did a good job of lobbying and they were successful. We hear that up to 10,000 jobs have been created in this area. If it is so successful in creating such a significant number of jobs, why not expand it into other areas?

Deputy Brian Hayes: The simple answer is cost.

Deputy John Browne: Those involved in construction were seeking to have it expanded into their industry. This is a win-win situation.

Before the debate on this Bill concludes, I ask the Minister of State to re-examine the proposal from the motor industry in respect of a swappage scheme. Again, this proposal would have presented the Government with a win-win scenario. Obviously, it would also have been a win-win situation for the motor industry. It would have increased the level of car sales and given rise to job creation. In addition, it would have brought in huge amounts of money to the Exchequer in the form of excise, VAT and other forms of taxation. The Minister of State should consider the proposal to which I refer. I read a newspaper report yesterday in which the chairman and managing director of Ford Ireland, Mr. Eddie Murphy, stated that he is quite confident that there will be a swappage scheme in 2015. Why not launch the scheme in 2014 and give the motor industry a break in order that jobs might be created and money brought into the Exchequer? I ask the Minister of State to give consideration to this matter.

I welcome the home improvement tax credit, which will certainly help the building industry. However, one in four of those people currently on the live register is a former construction worker. A significant proportion of these individuals do not require retraining and if the building industry received a boost, then we would certainly see an increase in the number of people going to work. A couple of weeks ago I raised with the Minister of State the point that 20,000 couples get married each year in Ireland. If 10,000 of them bought or built houses, this would provide a major boost to the building industry. The problem we face at present is that the banks will not give adequate mortgages to couples that have reasonable incomes. We need to return to the 80-20 mortgage arrangement that existed prior to the boom, whereby the banks supplied 80% of the finance and those buying or building houses were obliged to supply the other 20%. When we moved to a position where people could obtain 100% plus mortgages, major problems arose. The banks should be encouraged to re-examine the position with regard to mortgage lending in order that people might have the opportunity to buy or build their own homes. If this happens, there would be substantial improvement in the position of the building industry and an increase in job creation.

The budget is generally unfair but there are some good aspects to it. The two issues which must be reconsidered are those which relate to the car swappage scheme proposed by the motor industry and the one-parent tax credit. I welcome the fact that the Minister for Finance has already committed to re-examining the position with regard to the later.

Deputy Timmy Dooley: I welcome the opportunity to contribute to the debate. I will take up where my colleague, Deputy Browne, has just left off in respect of the one-parent tax credit. If the Acting Chairman will allow me to do so, I propose to read into the record of the House an e-mail I received from a constituent whom I will not identify. The e-mail in question sets the tone with regard to why we really need to re-examine the position on this matter. It states:

7 November 2013

It is with deep regret that I learned about the proposed Single Person Child Carer Tax Credit in the most recent Budget - it effectively means that I now face the reality of having to reduce the contact time I am currently granted with my two children in order to save this Govt ... a paltry €18 million.

Should it be passed I will lose approximately €40 per week in a tax credit, or €160 per month. I currently pay over a third of my salary in maintenance towards my kids - and this is right & proper; I am a responsible parent, whose first thought is ALWAYS what is best for my children. I continue to pay maintenance even when I have my children for a weeks holiday over each of the holidays and every second weekend. I try to feed them with healthy foods but consequently cannot afford cinema trips, fun activities at weekends, etc.

I live 40 miles away from my kids, do all the driving out to collect and driving out to drop them off.

I have to pay rent on a place that is comfortable enough to act as a second home to my two kids, and all the utility bills that accompany such a home.

My home is in negative equity. I am in considerable arrears on my mortgage. I also continue to pay off debts accrued during the course of the marriage.

My weekly expenditure averages at just under €500, which my weekly wage does not currently cover. The withdrawal of the current One Parent Family Tax Credit effectively means an 8% reduction in my weekly income...

... something has to go in order to accommodate this loss; the only thing I can cut is petrol money, which will inevitably mean I will have to reduce the amount of time I can spend with my children.

He proceeds to refer to the necessity for us to do something.

The e-mail I have just read into the record clearly highlights the desperate straits in which people find themselves. There are individuals who, through no fault of their own, find themselves separated and some of them never married in the first instance. The additional costs associated with managing a second home are burdensome. It was partly this fact that led to the introduction of the relevant tax credit in the first instance. In the context of budgets introduced by the Government, this move has been identified by the ESRI as being particularly regressive. Prior to the most recent general election the Labour Party promised that there would not be any cuts to social welfare rates and Fine Gael promised that there would not be any tax increases in terms of a broadening of the bands or the rate at which people pay. This has forced the Government into taking an awful lot from a small cohort of individuals. In my view, this is deeply unfair and it is making life intolerable for those affected. I really hope the Minister of State will be able to bring his good offices to bear in respect of this matter.

Pensions have again been targeted in the budget. When the pension levy was first identified as a method of stimulating the economy, it was stated that it would be in place for a relatively short period until this year. However, it is now being extended for a year and a little kicker has been included, namely, that there will be a reduced pension levy into the future. The levy currently stands at 7.7%, which is relatively small in real terms but it will of course be escalated as the Government needs to generate additional revenue. It seems that the Government will be returning to pensions time and again. Many pension plans and funds are experiencing significant

funding difficulties at present and this is adding further to their woes. The long-term impact will be to discourage people from saving. We try to encourage people to put money aside in order that they might invest in pension funds and thereby save for a rainy day. People are living longer and pensions are an important part of their managing their existence beyond the end of their working lives. We are now in the process of discouraging them from saving and that is a matter to which consideration is going to have to be given in due course. People save money, they pay into their pensions and they expect to be able to deal with and pay nursing homes, live their lives, etc.

Another matter about which I am deeply concerned is the statement made by the Minister for Finance on budget day to the effect that medical insurance, particularly gold-plated schemes, would attract an additional charge or tax. There is nothing gold-plated about the policies of the people upon whom the provision in this regard is going to impact. When I realised the amount of money the Minister intended to raise from the move he is making in this regard, it became clear to me that it would affect a much wider group than initially appeared to be the case. This will hit families in a particularly hard way and it will be a deciding factor for some in the context of whether to retain their health insurance. Fine Gael's policy in this area is to create a system of universal health insurance but this measure will drive people away from health insurance. That is regrettable.

I always listen with interest to Deputy Kevin Humphreys, who offers the odd nugget but, unfortunately, most of the time one is obliged to search for it. The Deputy referred to all the classrooms which have been opened and the efforts the Labour Party is making in this regard. Earlier this week the Chairman of the Joint Committee on Finance, Public Expenditure and Reform - I suppose in an effort to beat the Tánaiste onto the front page of the *Sunday Independent* - informed us when he appeared on "Morning Ireland" that he was in the process of writing to the Chairman of the Revenue Commissioners. The object of the exercise was to bring her in for a show trial, which defies logic. This matter is fairly straightforward. The Chairman of the Revenue Commissioners is implementing Government policy and she is doing so in line with legislation. However, we still had the spectacle of the Chairman of the joint committee taking to the airwaves. The matter will play out today at a meeting of the committee and everyone will get through it.

I am a member of the Joint Committee on Finance, Public Expenditure and Reform and some time ago I asked the Chairman to bring before it the chief executives of the private health insurance companies in order that members might discuss with them their views on what will be the implications of the changes announced in the budget. I received a response which indicated that the matter would be addressed in due course. However, that has not proven to be the case. These are the kind of matters on which we must focus rather than the mock battle between Labour and Fine Gael in the context of who is going to take responsibility for opening the next door. It is nauseating that it has come to that.

The changes in DIRT tax announced in the budget will discourage people who are putting aside money to educate their children or providing for the eventuality that they may experience ill health or unemployment for a period. Savings will be subject to a DIRT tax of 41%, and an additional 4% PRSI levy will be applied to unearned income. The cumulative effect of these measures will be to discourage people from saving, which is regrettable. While I accept that in the current economic climate it is necessary to discourage people from saving excessively, we must not return to circumstances in which people do not save anything. As the Minister of State will be aware, a previous Fianna Fáil-led Government introduced helpful measures during

better times to encourage people to put a little money aside. I will have serious concerns if the Government goes further down the slippery slope of discouraging saving.

The retention of the 9% VAT rate for certain sectors has been the subject of some positive comment. While I also welcome this decision, I fail to understand the reason this measure could not have been funded through moneys collected last year when the Government decided to take money from private pension pots. The reasons for doing so was to fund a reduction in the air travel tax and the VAT rate applicable in the tourism sector. It did not use this money to fund the reduction in the travel tax, however. I do not know where it has gone. Furthermore, the Government had decided to reduce the travel tax for only six months this year. A pot of money taken from private pension funds is missing, as it was not used for the purpose the Government indicated. I do not believe the Government has continued to invest the money in the manner that was expected.

Debate adjourned.

Topical Issue Matters

Acting Chairman (Deputy Peter Mathews): 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 Paudie Coffey - the need for meaningful engagement by EirGrid with communities about the proposed Grid Link routes; (2) Deputies Brian Stanley, Barry Cowen and Kevin Humphreys - the recent water shortage in Dublin and surrounding counties;

(3) Deputy Denis Naughten - the need to maintain a public desk at the Department of Agriculture, Food and the Marine's office in Roscommon town; (4) Deputy Colm Keaveney - the inquiry into certain allegations at the Galway-Mayo Institute of Technology;

(5) Deputy Joan Collins - the position regarding Faris Daniel Heeney;

(6) Deputy Joe Higgins - the position regarding Faris Daniel Heeney; (7) Deputy Catherine Murphy - the deteriorating housing crisis in certain parts of the State; (8) Deputy Dessie Ellis - to discuss the need to seek a bilateral agreement with the Egyptian authorities to bring home Faris Daniel Heeney; (9) Deputy John Paul Phelan - the need for full engagement by EirGrid on all options under consideration with the communities who have concerns about the proposed Grid Link project routes;

(10) Deputy Mick Wallace - the proposed EirGrid Grid Link project to construct pylon corridors throughout the country;

(11) Deputy Pat Deering - the need for meaningful engagement by EirGrid with the communities who have real concerns about the proposed Grid Link routes;

(12) Deputy Paul J. Connaughton - cross-compliance and its effect on farmers' single farm payments;

(13) Deputy Martin Heydon - the need for meaningful engagement by EirGrid with communities about the proposed Grid Link routes;

(14) Deputy Ciara Conway - the exclusion criteria which would exempt contraception from the prescription charge;

(15) Deputy Richard Boyd Barrett - the changes in allocation of funding collected from the local property tax;

and (16) and Deputy Michael Conaghan - the crisis in the social housing stock.

The matters raised by Deputies Michael Conaghan; Deputies Brian Stanley, Barry Cowen and Kevin Humphreys; Deputy Colm Keaveney; and Deputy Paul J. Connaughton have been selected for discussion.

Finance (No. 2) Bill 2013: Second Stage (Resumed)

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

Deputy John Deasy: I propose to discuss the living city initiative in the Finance Bill, which was initially introduced in concept and in a limited form earlier this year. The initiative was billed as a pilot project for urban regeneration in Limerick and Waterford. It is a targeted pilot tax incentive to encourage people to return to the centre of cities to live in older, historical buildings and to encourage the regeneration of the retail heartland of central business districts. Under the residential part of the initiative, residents can claim tax relief for the costs of refurbishing a house at a rate of 10% per annum for ten years against their income if it is their private residence. This is a significant relief. Retailers will be entitled to relief on works undertaken to upgrade or refit their shops under the accelerated capital allowances scheme over a period of seven years, at a rate of 15% for the first six years and 10% for the final year.

When I spoke on this initiative in February, during the debate on the previous Finance Bill, I pointed out that Waterford, my constituency, would not benefit greatly from the initiative as drafted, and that tweaking would be necessary before the commencement order was signed. The date range for buildings coming within the scope of the legislation was too narrow and the application of a strict definition of what constitutes a Georgian building would have resulted in Waterford city centre gaining little from the initiative. I appreciate that the Minister and his officials heeded the points I made and the necessary changes were recommended and implemented on foot of a cost-benefit analysis of the project. These changes have the potential to assist the process of rejuvenating Waterford city centre.

I am working with Waterford City Council, which is compiling a comprehensive inventory of pre-1915 residences in the city. Now that the measure has been broadened, it is important that the city gains maximum benefit from it. In that regard, I have some further questions and suggestions which could be considered as the initiative is rolled out to other urban areas, including Cork, Dublin and Kilkenny. The *ex ante* evaluation conducted by Indecon makes for interesting reading, particularly in respect of the different attitudes towards the initiative in different cities. Professional and business people in Waterford are, in some cases, much more sceptical about this tax incentive scheme than their counterparts in Dublin.

The report refers to the merit of small-scale construction refurbishments, in addition to the wider renewal and conservation objectives. It is worth recalling what has been taking place in the area of State-funded conservation and the importance of this initiative as a consequence. The national conservation grant, which funded up to 50% of the cost of repairs and conservation measures for buildings on the record of protected structures, was abolished in 2011. In 2010, €3.74 million was provided under this scheme, which was replaced in 2011 by the Structures at Risk fund, with a total national allocation of only €650,000. These facts accentuate the importance of the living city initiative in conservation terms. The report suggests that Waterford and Limerick would benefit from significant tourist numbers and spending as a result of the scheme. The increase in tourist visitors estimated following research among architects and quantity surveyors suggests a potential increase in tourist numbers of the order of 11.4% in the two cities.

I will now address the nub of the issue, namely, the impact on urban renewal and conservation and the hope that the initiative will result in a reversal in the trend of depopulation of city centres. In the case of Waterford's old city centre, 2,242 buildings, or 25.8% of the total number, are unoccupied. Of this figure, 983 are pre-1919 constructions located in what is regarded as the old city centre. The report estimates that of these 983 buildings, approximately 180 premises will eventually be part of the take-up of the scheme. While this is a conservative and relatively small figure in the context of 2,242 empty buildings, it is still significant. If 180 residences successfully avail of this initiative over the next five years, it will provide a significant boost for tradesmen such as carpenters and plumbers and those operating specialised conservation businesses. Moreover, given that Cork and Kilkenny are to be included in the initiative, it offers significant prospects to tradesmen in the wider region. For example, a tradesman in my home town of Dungarvan will be within one hour from Cork and Kilkenny city centres and 35 or 40 minutes from Waterford city centre. The benefits of the scheme will therefore transfer to tradesmen across the region.

As the report states, refurbishment of old buildings is labour-intensive. Estimates suggest that labour costs will account for 56% of capital expenditure under the initiative. This, the study suggests, would amount to approximately 718 man-years of employment, or 144 jobs for each of the next five years in Waterford and Limerick alone. When one reads through the criteria in place for the scheme one quickly realises, however, that there are a number of barriers to take-up of the initiative, including difficulties in obtaining funds to finance the cost of refurbishment. The authors of the report stress that unless the adjustments they recommend are adopted, the level of take-up will be minimal and the full potential of the initiative will not be achieved. When one deciphers the survey results on likely take-up it becomes clear that the highest level of indifference registered was in Waterford city, where only 28.2% of those surveyed stated there would be a high level of interest in the initiative in the city. In contrast, 61.9% of respondents in Dublin expressed the view that there would be a high level of interest in the capital. I note that Deputy Eoghan Murphy is present. The question, if I were Deputy Eoghan Murphy, I would be asking in his constituency is, whether places such as Ringsend and Irishtown would be included because the survey indicates that there is a very high level of interest in Dublin as opposed to some other parts of the country.

More than twice as many householders in Dublin were very enthusiastic about the initiative than were in Waterford and one of the reasons might be that there is a two-tier economy operating in Ireland - Dublin and outside of Dublin. It probably has a great deal to do as well with the fact that householders do not believe that they will get credit from the banks to carry out these extensions or renovations, which brings me to where the Department should consider

some further changes or initiatives around the scheme.

In many cases, individuals who have very low incomes and who pay little or no tax, such as social welfare recipients, will be instantly excluded from this scheme. They can apply for funding under the home renovation scheme recently announced in the budget but they will be effectively shut out of the living city initiative. If somebody, for example, in Waterford, had a house worth €200,000, he or she would need to spend €20,000 to avail of the grant, if he or she managed to get a loan from the banks. However, in many cases, such a person's income would be so low that he or she would not come near to paying €2,000 in tax a year to avail of the tax relief incentives. Unfortunately, that particular individual profile is what makes up a large part of urban city centre populations. There is a gap here. In the scheme, the cost of refurbishment needs to be at least 10% of the pre-works value of the residence. To accommodate householders on lower incomes, that 10% threshold needs to be lowered to at least 5% or 7.5%.

The Department should also contact the banks and make arrangements to educate them as to the ins and outs of this scheme. Once the banks realise that this is State-backed and guaranteed, they will be far more willing to release funding, even to those who have large debts. What we have seen so far from the home renovation scheme announced in the budget is the banks are advertising to get their hands on that scheme and to start loaning money to householders to fund renovations because they realise it is State-backed and guaranteed.

As much flexibility as possible needs to be given as well to the individual local authorities to define where their respective city centres start and finish to ensure this has as much impact as possible. I work with Waterford City Council. We will be working with the Department officials to include as many parts of Waterford city centre and to define that as broadly as we possibly can over the next few months before the application is made and EU state-aid approval is sought.

I also have a question with regard to how local service providers will be defined under the scheme. The Indecon report suggested that any definition should be broadened as far as possible to heighten the impact of the scheme.

I thank the Minister and his officials for listening and making changes to the scheme. The living city initiative will prove to be a substantial economic stimulus for the urban areas involved and I look forward to working with the Minister, as the application is made and EU state aid for the scheme is sought.

Deputy Eoghan Murphy: I welcome the Bill and most of the measures contained therein. I was someone who advocated before the budget a greater correction than €2.5 billion and I still hold that view. It is not about wanting austerity. When one asks what is austerity in the current climate, it is a balanced budget. It is responsible budgeting, and that is what we are trying to move towards.

Commentators speak of the need for stimulus in the economy but last year we borrowed €12 million as a stimulus for the economy to fund current spending. That is not sustainable and we have recognised that. In the fiscal correction that we have been making each year, it has not been austerity budgets. It has been reducing the stimulus that we have been putting into the economy to run the current account and it is important to recognise such is the economic reality of the position.

I stated I would have gone beyond €2.5 million, but that argument has been lost and we have

the package in front of us. It is important to recognise that it is about not only cutting the deficit each year, but also reforming and restructuring how we spend the money that we have and getting better value for it. That is an important point on which to reflect because any decisions, in terms of trying to better manage the finances and put the economy on a more sustainable footing for the years to come, that were not taken this year will have to be taken in the future and will not go away.

I will not go into the specifics of the measures contained in the Bill only to note some of those I welcome. On the living city initiative, to which Deputy Deasy referred, the Deputy is correct when he talks about Dublin and its importance and the areas that need to be looked at. When we look at measures that are being taken to move certain areas out of the black economy into the real economy, the 9% VAT rate retention, protecting class sizes for schools and the different job-creation measures in the Bill, and even the increase in DIRT which, while not liked, will hopefully increase spending in the domestic economy because of the significant amount of money households have on deposit, these all are welcome. When one looks at the purpose of these measures, it is to increase activity in the economy. The best way to raise revenue for an economy is to increase activity, not to increase taxes. It is to get the public active in the economy producing, contributing and spending money as well, and then raise revenue off the back of that. Therefore, I welcome these measures. I do not welcome measures such as the changes in the medical insurance tax relief or the change to the pension levy but, when I look at the overall package in the budget, I support that because it is there to increase activity in the economy which is the way to go.

For the remaining minutes available, I will speak on the process and transparency around it. I welcome the earlier budget date of 15 October because in looking at the commercial aspect of the economy for a number of years, commentators have wanted greater clarity on the plans for the coming year. People do not like surprises. They want certainty in their lives when they plan for their businesses. They want it in their households. We want it in the State. In that regard, bringing budget day forward to 15 October is good because it gives greater certainty before we enter into the busy season at the end of the year.

I also welcome the new transparency from the Department of Public Expenditure and Reform, in terms of the data it is publishing, and the new budgetary timetable; budgeting over a number of years or at least giving the headlines is important too as it gives some sort of certainty as to where we are going, but we need to go further.

In 2011, our first year of Government, a senior Minister came before the Committee of Public Accounts and stated that the idea of someone coming into the Chamber to read out the secrets decided by Cabinet is crazy. We have moved the date forward but we must go further than that. Members of Dáil Éireann did not know what would be in the budget until budget day, effectively, until the decisions had already been taken. There were the announcements in the Dáil on the day and then a series of one-hour replies from the Opposition on a detailed document which it had only just seen. It was set pieces for the media. In my opinion, it was pantomime. One has to ask, what is the purpose of budget day and why have it as a day in itself.

What we should have is a series of long and boring debates over weeks and months on the details before the decisions are made. That is the process that we need to have. The programme for Government that we agreed promises to open up the budget to greater scrutiny and we can go further in terms of setting up an independent Oireachtas committee to look at budgetary issues, to help Members of the Parliament prepare submissions and cost their own proposals, to

help them get a better understanding of the budgets and to keep an eye on the numbers throughout the year. In the United States, there is the congressional budget oversight office which helps members of Congress to do just that, and we could do that here as well. In giving greater resources to Parliament, we would have better parliamentarians and a stronger Parliament. It relates to that idea of not having secrets merely announced on budget day in the Parliament but going through the details of different proposals over time, looking at the different options available, Deputies bringing their own options to the table and putting together a package of measures. Ultimately, of course, the decision would be for the Government but, having made the decision, we would have seen all of the options available to us. It would not be a question of having to row back on decisions or to change our minds because, by the time we had made the decision, there would be full clarity around the decision being made.

My time is up and I want to give time to Deputy Feighan, but I would add, in terms of transparency, we need to move forward with tax transparency and go even further. We need to be proactive and publish, on the Department of Finance's website, how we are spending the people's taxes, in euro and cent. We should put a tax calculator on the website with a ready reckoner, let them get the breakdown of their taxes and then show them what we are spending on education, in primary, secondary and third level, on social protection in pensions, jobseeker's allowance, etc., so that taxpayers will understand how we are spending their money and also the difficult decisions that we have to make to help bring them along in the process of fiscal correction over the number of years.

Acting Chairman (Deputy Peter Mathews): I ask Deputy Feighan to move the adjournment. He will be in possession when the debate resumes.

Debate adjourned.

12 o'clock

Leaders' Questions

Deputy Seán Ó Fearghail: The Tánaiste will be aware of the concerns that have been expressed about the ability of the Health Service Executive to deliver front-line services in 2014, particularly when it is faced with a cut of €666 million, as referred to by the Minister for Health in the budget debate. The figure may even rise above €1 billion, as referred to by the chief executive of the HSE. The recent letters from CEOs have further heightened public concern.

The Government is convinced that patient safety will not be jeopardised because, it claims, the money will follow the patient. I put it to the Tánaiste that the money is not following the patient, particularly when it comes to children with life-limiting conditions. Professor Owen Smith has confirmed that there are delays in giving chemotherapy to children with cancer when they are in hospital. Sadly, there is little support on offer to families who wish to care for their children at home. Funding has not been ring-fenced for home care teams or nursing care on a 24-hour basis. Families are being refused medical cards because they are seen to be over the income limits, when the reality is that they are experiencing serious economic difficulties caring for their sick children around the clock. Why is the Government on the one hand apparently committed to the universality of health care and to introducing something we all welcome

- namely, free GP care for children aged under six - while at the same time it is not allowing children with life-limiting conditions to have medical cards? The Government stands indicted for its failure to provide funding for dedicated palliative care of children suffering from life-limiting conditions.

The Tánaiste: The Government's priority in the area of health is to ensure that patient care is at the top of all considerations. It is unfortunately the case that budgets for the health services have had to be reduced in recent years. As we know, that is because the present Government inherited an incredible mess in the public finances. There is no doubt that this year will also be challenging for the health service, but the Government's priority is protecting front-line services and patient safety. In particular, we want to ensure priority is given to patient safety and care for children. That is something we certainly want to see taking place.

Within that challenging financial environment, we have been progressing the reform of the health services. The reforms are long overdue. They involve changes in the way in which our hospitals are configured to ensure patients get the best care. They also involve a move to universal health care and universal health insurance. In this year's budget we announced the first steps in that direction with the introduction of free GP care for children under five years. I recognise there are continuing challenges and problems in the health services. These have to be addressed and we are working on them. We have made considerable progress despite having less money and fewer staff. We are undertaking the biggest reform of the hospital system in the history of the State, including changing the way in which consultants work and the introduction of universal health insurance. We have reduced waiting lists and numbers of patients on trolleys. Since the middle of 2011 we have established 32 new primary care centres, introduced free GP care for children aged five and under and committed to the construction of the national children's hospital and a new national maternity hospital, for which €200 million was provided in the budget. The number of patients waiting on trolleys has been reduced by 30% since the Government took office. The number of adults waiting more than 12 months for inpatient and day care surgery decreased by 73%. Progress is being made but, in a service which is demanded and in which the demands are growing all the time, clearly more needs to be done.

Deputy Seán Ó Feargháil: I am disappointed with the Tánaiste's response. He spoke about reform and statistics. The reality is that of the 1,400 children nationwide with life-limiting conditions, who are primarily being looked after by the Jack and Jill Foundation, approximately 350 die per annum. We all acknowledge that we are in difficult economic circumstances and perhaps we will have the luxury on another day of discussing how we got into these circumstances. However, the Tánaiste and his Government are currently responsible for dealing with the situation and it is an indictment of them that they are not prioritising the care of children. The care of the aforementioned children has been left to a voluntary organisation. A study at Trinity College Dublin which was commissioned by the Jack and Jill Foundation and run by a man who is over 70 years of age and has dedicated his life to the care of those children has found that it would cost €16,500 to provide palliative care for children at home, whereas providing for them in hospital, where many of them have to stay because the Government is not addressing the problem, is costing nine times more, or approximately €150,000 per annum. That is not good for the Exchequer and it certainly is not good for the children who are affected.

The Tánaiste: None of us should do anything other than to go to every length to provide medical care for children and to look after them when they are ill. However, it is difficult to listen to lectures about the health service, particularly as it pertains to children, from a party that neglected it so badly in Government. For years it spoke about and looked around the idea

of a children's hospital.

Deputy Seán Ó Fearghail: Is that still on target?

Deputy Robert Troy: Where is it now?

The Tánaiste: During the good times, when money was available, it did not build one.

Deputy Seán Ó Fearghail: I was not speaking about a children's hospital. The Tánaiste should answer the question he was asked.

The Tánaiste: This Government is proceeding with the construction of the children's hospital, which is long overdue.

Deputy Charlie McConalogue: Deal with the issue of palliative care.

The Tánaiste: We have provided the funding for it.

Deputy Dara Calleary: What about the Jack and Jill Foundation?

The Tánaiste: The priority for the Government is to deliver the best quality of care, particularly to children, in every circumstance of medical need. It is challenging at times because of the limitations on resources, but the Government's priority is to provide the best possible care for children when they need it.

Deputy Robert Troy: The facts speak to the contrary.

Deputy Jonathan O'Brien: The programme for Government promised to increase the stock of social housing, but this morning, like every morning, we heard the real human stories of the families who were left to languish on the housing waiting list by this Government and its predecessor. Mothers are struggling to feed their children and pay their bills because they are forced to live in poor-quality and overpriced rental accommodation. The number of people on local authority housing lists continues to rise, with the figure now touching 112,000 families throughout this State. Meanwhile, 3,500 council houses lie idle. In my own city of Cork, almost 8,000 families are on the housing waiting list even though 500 houses lie idle. The number of people depending on rent supplement continues to rise and the cuts to the supplement are forcing increasing numbers into financial hardship and, in some cases, homelessness. Homeless charities report a significant increase in the number of people using their services. The Tánaiste knows that the reason for this is very simple. His Government, like the Fianna Fáil Government that preceded it, is slashing the budget for social housing. The Tánaiste has no plans to address the housing crisis. Since taking office, the Government has cut funding for social housing by more than half. That is why waiting lists continue to grow. When will the Tánaiste honour the commitment in the programme for Government to start investing in social housing and to address the housing crisis?

The Tánaiste: Approximately 5,000 additional social housing units will be provided in 2014. This will include new builds, units leased from the not-for-profit sector and general leasing units. We are also on track to secure 500 social housing units from NAMA this year and will deliver 2,000 social housing units through NAMA in the lifetime of the Government. In the recent budget we returned, albeit on a modest scale, to mainstream housing construction. It is an issue on which I hope we will be able to expand as the country's finances improve. The recent budget contained an additional €30 million for social housing construction and refurbish-

ment. Approximately 50% of the additional investment will be dedicated to bringing long-term vacant units back into use in 2014. It is estimated that more than 300 units will benefit from the dedicated fund. In the coming weeks local authorities will be asked to submit specific properties for investment.

There is a problem with vacant housing stock. Some 3% of the local authority housing stock is vacant. This includes the natural turnover at any time when tenancies end and a new tenant is to be appointed. However, a number of local authority dwellings are vacant for an unacceptably long period. These are issues that must be dealt with and I hope local authorities, with the resources provided in the budget, will get to grips with it in order that we do not see the continuing problem of dwellings lying idle for long periods. It is a waste in view of the number of people on housing lists who could use them. It is also a loss of revenue for the local authority concerned and, in many cases, a problem for local communities where boarded-up dwellings constitute an eyesore.

Deputy Jonathan O'Brien: On the basis of the figures provided by the Tánaiste, we are looking at an additional 7,000 units over the lifetime of the Government. As the housing list has 112,000 families, the additional units represent a drop in the ocean. Announcing €15 million here and €15 million there will not compensate for the massive cuts the Government has overseen. Some €233 million was cut from the capital budget for housing and the Tánaiste is talking about a figure of €30 million. It is not good enough and the figures speak for themselves. The Government has abandoned those on social housing lists who are the most vulnerable in society. Will the Tánaiste outline for families awaiting adequate housing on social housing lists the long-term plan of the Government? Announcing €15 million here and €15 million there does not cut it. I am over it, as are the families affected.

The Tánaiste: I do not know if the Deputy missed it, but the country was broke. It ran out of money at the end of 2010 and the Government has had to restore its finances. We are in the fortunate position of having done so and about to exit the bailout programme. The Government has not abandoned the issue of social housing provision, far from it.

Deputy Jonathan O'Brien: The housing budget was cut by €233 million.

The Tánaiste: In 2014 some 5,000 additional social housing units will be provided. Additional funding has been provided in the budget to recommence housing construction. It is intended that, as the finances of the country improve, we will improve on this. In addition to the construction of houses, we have committed to the upgrading of the energy efficiency of existing local authority dwellings. Some 25,000 local authority dwellings will be affected by the measure and upgraded under the programme. Of these, some 4,000 have been upgraded in the first four months of the programme. We will continue with that process. We are very much aware of the number of people on housing lists and their housing needs. Now that we have stabilised the country's finances and are moving out of the bailout programme, we have signalled clearly in the budget that social housing provision is an issue we will continue to address.

Deputy Seamus Healy: In April 2013, on Bloomberg TV, Wilbur Ross, the American vulture capitalist, described Bank of Ireland as his best investment anywhere in the world during the financial crisis. In July 2011 the Government sold State shares in Bank of Ireland to a consortium of north American vulture capitalists for €1.123 billion. The effect of the sale is that the State now owns 15% of Bank of Ireland's shares at a net cost of €4 billion, while these vulture capitalists own 37% at a cost of €1.123 billion. The fire sale of Bank of Ireland shares

has handed Wilbur Ross and his wealthy associates a capital gain of €2 billion. No wonder he was celebrating on television. They are onto a sure winner in the future. The value of Bank of Ireland is determined by Government support, including the bailout. Crucially, Government policy designates Bank of Ireland as a pillar bank. The lack of competition in the market, with ACC and Danske Bank recently having left and the future of Ulster Bank up in the air, and guaranteed Government support through pillar status are a shareholder's dream. The pillar banks are now free to rip off customers, small businesses and distressed mortgage holders. In today's *Irish Independent* Charlie Weston tells us that the introduction of, and increase in, bank fees and charges will take a further €260 a year from families and €270 million out of household finances in the economy. This is the same bank that is sending letters to distressed mortgage holders, giving them the options of voluntary sale, voluntary repossession or eviction. It is absolutely disgraceful. Is the Government not ashamed of its role in allowing the people to be blatantly ripped off by Bank of Ireland, Wilbur Ross and his associates? If Bank of Ireland fails the ECB stress tests next year, will Wilbur Ross and his friends be forced to recapitalise the bank or will the people be forced to do the same as they have done in the past? Does the Tánaiste agree that the only solution that will protect the citizens of the country when recapitalisation is required is nationalisation?

The Tánaiste: No economy can function without a banking system and banks. When the Government took office at the beginning of 2011, the banks in the country were on the point of collapse. People in this country were taking their money out of the banks and small depositors were crossing the Border to move their money out of Irish banks to put it elsewhere. The Government had to stabilise the banking system in its early stages in office. That is why we moved very quickly at an early stage to the reorganisation of the banking system with pillar banks. The banking system and the country have now stabilised and Bank of Ireland has been able to raise funds and capital on the open markets. Progress is being made across our banking system. That was a necessary part of the strategy we had to pursue in order to get the country out of the incredible economic hole into which it had been put and which we inherited. As it happens, we are now at the point where we are about to exit the bailout. We are looking at an economy which is growing again, although the growth is modest. We are seeing employment being created in the country at the rate of about 3,000 new jobs per month. We would like to see that accelerated. What we must aim to achieve, now that we have stabilised the banking situation and stabilised what has happened in our public finances, is to drive on to create the jobs, attract the investment, see our economy grow at a faster rate and ensure that the people of this country have jobs, a secure future, a decent income and have decent quality public services. That is our aim and it is what will happen. Stabilising the banking system was necessary and this Government has achieved that. We now have to drive on to get economic growth and jobs and the increased prosperity that will come from a growing economy.

Deputy Seamus Healy: I have some specific questions relating to the sale of the Government's bank shares. Is the Tánaiste satisfied that the sale of these State shares to these vulture capitalists was above board and transparent? Is he satisfied with a situation where a senior public servant involved in the sale process and who continued to deal on behalf of the State with banks, including Bank of Ireland, was enabled to take up a very senior post in Bank of Ireland, that post being chief executive, corporate and treasury, Bank of Ireland Group?

An Ceann Comhairle: The Deputy cannot make allegations here-----

Deputy Seamus Healy: I am not making any allegations. It is a fact. I ask the Tánaiste if the promised review of this situation has taken place and what has been the outcome of that

review. He promised a review.

The Tánaiste: I am satisfied that the sale of the shares was above board and was transparent. At the period of time involved there was very considerable welcome that the State was able to sell shares in Bank of Ireland. I will not respond to allegations about individuals-----

Deputy Seamus Healy: I did not make any allegations.

The Tánaiste: The Deputy did make allegations.

Deputy Seamus Healy: What about my second question?

The Tánaiste: I am answering the question. I am satisfied that the sale of the shares was above board and was transparent. I am also satisfied that the actions taken by the Government to bring stability to our banking system has been one of the foundation stones on which the recovery of this country's economy has been built. I wish it were different; I wish we did not have the crisis in the banking system that we inherited and I am satisfied-----

Deputy Seamus Healy: Is he satisfied with the role of a senior public servant?

The Tánaiste: I will not respond to allegations the Deputy is making about individuals who are outside of the House. If the Deputy wishes to make an allegation-----

(Interruptions).

The Tánaiste: The Deputy should stop that innuendo and side of the mouth allegations about people who are not in the House. If he wants to make an allegation about an individual, he should make the allegation and if he is sure enough, he should make it outside the House.

Deputy Seamus Healy: The Government said there would be a review.

An Ceann Comhairle: I wish to let it be known to the House that it is a long-standing ruling of the Chair that Members should not comment on or criticise a person outside the House or an official by name or in such a way as to make him or her identifiable as that person is defenceless against accusations made under privilege of this House. I ask all Members to please note.

Order of Business

The Tánaiste: It is proposed to take No. 19, motion re proposed approval by Dáil Éireann for a regulation of the European Parliament and of the Council amending EU Regulation No. 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (back from committee); No. 20, motion re proposed approval by Dáil Éireann for a regulation of the European Parliament and of the Council adapting to Article 290 of the Treaty on the Functioning of the European Union a number of legal acts in the area of justice providing for the use of the regulatory procedure with scrutiny (back from committee); No. 20a, motion re referral to joint committee of proposed approval by Dáil Éireann of the Irish Aviation Authority Act 1993 - (Amendment of Schedule) (Annex 19 to Chicago Convention) Order

2013; No. 3, Finance (No. 2) Bill 2013 - Second Stage (resumed); and No. 33, Local Government Bill 2013 - Second Stage (resumed). It is proposed, notwithstanding anything in Standing Orders, that Nos. 19, 20 and 20a shall be decided without debate.

Tomorrow's fortnightly Friday business shall be Health (Fluoridation of Water Supplies) (Repeal) Bill 2013 - Second Stage; and Joint Committee on Transport and Communications report on sponsorship of sports by the alcohol drinks industry.

An Ceann Comhairle: There is one proposal to be put to the House. Is the proposal for dealing with Nos. 19, 20 and 20a, without debate, agreed? Agreed.

Deputy Seán Ó Feargháil: The programme for Government commits the Government to address the plight of three specific categories of people, first and foremost being the survivors of the Magdalene laundries. Very considerable credit is due to the Government for the work that has been done in that area, albeit that it took the Minister of State, Deputy Kathleen Lynch, to jump up and down a little bit and make it quite clear to the Taoiseach how important this issue was. Judge Quirke has issued his report and we are told that compensation will issue. I ask the Tánaiste if he can indicate when the victims can expect to receive their compensation. The victims of symphysiotomy were also included in that Government commitment. Professor Walsh has produced a report to the Minister for Health, Deputy Reilly, and I believe it is to be considered by Cabinet, after which decisions will be made. Can we be given some indication of the timescale involved? The Tánaiste and members of the Government will be particularly aware of the ageing profile of the people who were involved. We believe compensation should be paid and this should happen sooner rather than later.

There are a mere 32 survivors of the thalidomide drug and the Government, likewise, made commitments in respect of addressing that issue.

An Ceann Comhairle: This is not a matter for the Order of Business.

Deputy Seán Ó Feargháil: It is a matter.

An Ceann Comhairle: It is not.

Deputy Seán Ó Feargháil: It is in the programme for Government.

An Ceann Comhairle: I ask the Deputy to be brief because we have only 20 minutes.

Deputy Seán Ó Feargháil: I simply wish to ask the Tánaiste what is happening in respect of the victims of thalidomide. I very recently heard Dr. Austin O'Carroll, who is the chairman of one of the two representative groups-----

An Ceann Comhairle: It is a matter for a parliamentary question, really.

Deputy Seán Ó Feargháil: It is in the programme for Government.

An Ceann Comhairle: It may be in the programme for Government but it is not promised legislation.

Deputy Seán Ó Feargháil: My understanding is that under the Order of Business we are entitled to raise matters relating to the programme for Government. If the Tánaiste can very quickly tell us what is happening in that area I will be very happy.

The Tánaiste: The matter of the payments to the survivors of the Magdalene laundries was considered by the Government this week and there is progress on the arrangements for the payments to be made. I expect this will be progressed in the near future. On the issue of the victims of symphysiotomy and thalidomide those are matters which are still being considered by the Minister for Health and he will bring his proposals to the Government when he is in a position to do so.

Deputy Jonathan O'Brien: The Tánaiste will be aware that figures released this week show that the number of people accessing the services of moneylenders has increased since 2007 by 20%. There are approximately 360,000 people in the State who access either legal or illegal moneylenders. The Tánaiste will also recall that my colleague, Deputy Pearse Doherty, brought forward a Private Members' Bill to try to cap the interest rates being charged by legal moneylenders. During the debate there was a general consensus on all sides of the House - although the Bill was voted down - that we needed to return to the issue in order to tackle high interest rates. Does the Government plan to publish legislation to tackle the issue of high interest being charged by legal moneylenders?

The Tánaiste: We do not have legislation on the list for the issue but I agree with Deputy O'Brien in that this is a serious issue. The matter of people finding themselves in trouble with moneylenders requires attention but the area might be usefully addressed by the Oireachtas committee dealing with finance. It could make recommendations for consideration by the Government.

Deputy Patrick O'Donovan: The Tánaiste is aware that during the week there was a broadcast relating to the disappeared. The criminal justice (victims' rights) Bill is promised but when can we expect publication? Will the Tánaiste make available time through the Whips for this matter to be debated in the House as soon as possible? The issue is of major national importance and the House should debate the issue of Tuesday night's broadcast and provide an opportunity for people who may have information within the House to make a statement to the House.

Deputy Kevin Humphreys: I wish to speak on the same issue.

Deputy Dessie Ellis: I do not know what the Deputy is on about. What does he mean by "people within the House"?

An Ceann Comhairle: Does the Deputy wish to speak on promised legislation?

Deputy Kevin Humphreys: It is the same issue.

An Ceann Comhairle: What is the promised legislation?

Deputy Kevin Humphreys: Deputy O'Donovan has just raised it.

Deputy Patrick O'Donovan: It is the criminal justice (victims' rights) Bill.

An Ceann Comhairle: The Deputy should be quick and refrain from making statements.

Deputy Kevin Humphreys: I thank the Ceann Comhairle for allowing me to contribute at this stage. It is necessary for us to have a full debate on the disappeared, which was the issue highlighted by the broadcast during the week. We have seen a very cynical move this week as a smokescreen of tapes-----

Deputy Jonathan O'Brien: That is ridiculous.

Deputy Kevin Humphreys: -----was used to distract attention from the poor families of the disappeared.

An Ceann Comhairle: We are not having a debate.

The Tánaiste: There is a promised Bill on victim support and work is under way in the Department of Justice and Equality in that regard. There is no date for its publication. The second matter raised by the two Deputies would be considered by the Whips.

Deputy Ray Butler: The final Stages of the Social Welfare and Pensions Bill 2013 are taking place in the Seanad and a report on the self-employed will come before the Oireachtas-----

An Ceann Comhairle: Does this concern promised legislation?

Deputy Ray Butler: Yes.

An Ceann Comhairle: The Bill is going through the Seanad.

Deputy Ray Butler: I wish to speak about the self-employed.

An Ceann Comhairle: You cannot do so on the Order of Business. You may put down a question.

Deputy Ray Butler: I will finish by saying that the Minister, Deputy Burton, has done great work for self-employed people.

An Ceann Comhairle: That is grand.

Deputy Michael Healy-Rae: She is wonder woman.

Deputy Ray Butler: Will legislation be brought to the Houses for self-employed people who need social welfare entitlements?

An Ceann Comhairle: Is there promised legislation in the area?

The Tánaiste: I agree that the Minister, Deputy Burton, has done outstanding work in the area.

Deputy Ray Butler: Yes, she has done more than a Minister in any other Government.

Deputy Bernard J. Durkan: Hear, hear.

The Tánaiste: That is right.

Deputy Michael Healy-Rae: She is wonder woman all right.

Deputy Mattie McGrath: As an independent.

Deputy Patrick O'Donovan: She even managed to take some people off boards.

An Ceann Comhairle: Deputies are losing time.

Deputy Ray Butler: Some 80% of self-employed people who have sought social protec-

tion have been looked after by the Minister, which is more than Fianna Fáil, the Green Party or Independents have done.

Deputy Patrick O'Donovan: She has taken a few of them off boards as well.

An Ceann Comhairle: We only have ten minutes left and a number of Deputies wish to ask questions. Please be fair, as there should not be a debate on the Order of Business.

The Tánaiste: The Deputy is right and the Minister has vindicated her position on the social welfare system in a way that is in marked contrast to the neglect of that issue under Fianna Fáil in Government.

Deputy Ray Butler: Hear, hear.

The Tánaiste: When she has completed her work on the Social Welfare and Pensions Bill, I have no doubt she will return to the larger issue.

Deputy Robert Troy: In the recent budget we witnessed an unfair targeting of separated parents with the abolition of single parent tax credit. Legislation in the form of a housing (miscellaneous provisions) Bill is due to come before the House and would preclude separated applicants whose names remain on a family from applying for social housing. Applicants have had to move from a family home due to domestic abuse or marital breakdown, or a family home might not be sold because a mortgage is in arrears or negative equity. Will the Tánaiste commit to prioritising the housing (miscellaneous provisions) Bill that is to come before the House so the inequity can be dealt with?

Last week we witnessed the intervention by the policy director of An Taisce with regard to the site of the national children's hospital.

An Ceann Comhairle: We are not going there.

Deputy Robert Troy: Will the Tánaiste confirm that this critical piece of infrastructure-----

An Ceann Comhairle: Be fair to others.

Deputy Robert Troy: -----will proceed on time for the children who need it?

An Ceann Comhairle: That is not related to the Order of Business.

The Tánaiste: The housing Bill is due early next year.

Deputy Seamus Kirk: In the general health care area, what is the position in identifying cross-Border synergies between hospitals in the north east and immediately north of the Border, for example? Are there exchanges between the Department of Foreign Affairs and Trade and the corresponding bodies in the North with regard to developing possibilities, particularly in the context of potential savings for the Department of Health? Is the Narrow Water bridge project going ahead or is support available for it?

An Ceann Comhairle: Is that in the programme for Government?

The Tánaiste: There has been considerable co-operation on a North-South basis in the health area, including the radiotherapy services at Altnagelvin Area Hospital and work being done to care for children. As it happens, there is a meeting of the North-South Ministerial

Council tomorrow and I expect the issue will be addressed again. With regard to the Narrow Water bridge, the estimate was significantly higher than that which was proposed originally, and the issue is currently being examined. I expect we will have an opportunity tomorrow to discuss it with colleagues north of the Border.

An Ceann Comhairle: We are also meeting as part of the North-South Interparliamentary Association tomorrow.

The Tánaiste: Indeed, and I congratulate the Ceann Comhairle on the work he has done with his counterpart, the Speaker, William Hay, MLA, in getting that up and running.

An Ceann Comhairle: Not at all. I am not looking for praise but it is a very worthwhile organisation.

Deputy Mattie McGrath: I look forward to joining the Ceann Comhairle as a substitute at that meeting.

An Ceann Comhairle: Excellent.

Deputy Robert Troy: Contain your excitement.

An Ceann Comhairle: We can have a chat about what will be raised.

Deputy Paul Kehoe: Will the Deputy be smoking grass?

Deputy Mattie McGrath: That is a silly comment.

An Ceann Comhairle: What are we on about here?

Deputy Mattie McGrath: The Deputy asked, across the Chamber, if I would be smoking grass. He should withdraw the remark.

Deputy Seán Ó Fearghail: Yes. Withdraw it.

An Ceann Comhairle: Please.

Deputy Mattie McGrath: Will he withdraw the remark? I resent it.

Deputy Paul Kehoe: I withdraw it.

An Ceann Comhairle: It has been withdrawn.

Deputy Mattie McGrath: Thank you. I wish to raise a road traffic Bill, as a very serious issue has arisen with people's driving licences. It particularly affects farmers and people involved in agriculture.

An Ceann Comhairle: It is a serious issue but it is not related to legislation.

Deputy Mattie McGrath: There is a deadline tomorrow evening for people to update their licences where categories were omitted. Will the Tánaiste ask the Minister for Transport, Tourism and Sport to extend the deadline for a few weeks as these categories have been omitted through no fault of the people affected or the officials involved? There is legislation to establish EirGrid in primary legislation but we must do something as it will have the country destroyed before the Bill is brought in.

An Ceann Comhairle: That is a different issue altogether. That matter could be dealt with at committee level.

The Tánaiste: The road transport and EirGrid Bills are due next year.

Deputy Michael Healy-Rae: There is no provision in the local government Bill for the retention of the title of mayors of towns. Could an amendment be made to the Bill to allow the chairpersons of municipal districts have the title of mayor?

An Ceann Comhairle: The Bill is going through the Houses.

Deputy Michael Healy-Rae: It is an important issue.

An Ceann Comhairle: The Deputy could make a contribution to the Bill.

Deputy Michael Healy-Rae: The provision is not in the Bill. I am asking whether the Tánaiste is taking the point. A chairperson of a municipal district-----

An Ceann Comhairle: That can be raised in the debate on Second Stage.

Deputy Michael Healy-Rae: -----could have the title of mayor of a town.

An Ceann Comhairle: The Deputy has made his point. I call Deputy Ellis.

Deputy Dessie Ellis: On Saturday I visited Glen Ding estate in Blessington which was built six years ago on a flood plain, with a river flowing underground through it. Planners in Wicklow County Council gave permission for it. The proposed planning Bill will contain measures based on recommendations by the Mahon tribunal. We must get to grips with all these planning permissions.

An Ceann Comhairle: Does the question relate to the planning Bill?

Deputy Dessie Ellis: Yes.

An Ceann Comhairle: When is the planning Bill due?

Deputy Dessie Ellis: Planning permissions have been given on flood plains. I have seen several of them.

An Ceann Comhairle: A parliamentary question is more in order.

Deputy Dessie Ellis: There must be some accountability in that regard.

An Ceann Comhairle: The Deputy should ask a parliamentary question. Is the planning Bill due?

The Tánaiste: There is no date for its publication. Deputy Ellis is correct. Housing estates and developments were built and it was not just the planners that were at fault.

Deputy Dessie Ellis: It is terrible.

The Tánaiste: Some of the builders were also at fault. Deputy Ellis probably knows some of them.

Deputy Dessie Ellis: I do not know about that.

Deputy Denis Naughten: One person every hour suffers from a stroke in this country. I raised with the Taoiseach in connection with secondary legislation on 25 September the fact that there are seven telestroke machines in cardboard boxes in a warehouse in Cork that could save the HSE €55 million. In the UK they are used for the diagnosis of burns, in urology and for orthopaedic patients.

An Ceann Comhairle: To what legislation does the Deputy refer?

Deputy Denis Naughten: The Minister for Health was to explain why the machines are still in cardboard boxes, why they have not been rolled out across the country and why they are not saving money.

An Ceann Comhairle: Perhaps Deputy Naughten could table a question about the cardboard boxes.

Deputy Denis Naughten: Would someone revert to me and let me know what is going on?

An Ceann Comhairle: Not on the Order of Business.

Deputy Denis Naughten: My question is on secondary legislation, the Health (Amendment) Act 2013.

An Ceann Comhairle: The question is on secondary legislation relating to the Health (Amendment) Act.

The Tánaiste: I will ask the Minister for Health to respond to Deputy Naughten on the matter.

Deputy Robert Troy: He could put it in writing like the promises on Roscommon Hospital.

Deputy Joe Carey: Shannon Airport has recorded a fifth successive month of passenger growth. When will the Shannon aviation services and miscellaneous provisions Bill come to the House for debate? It is the final piece in the jigsaw in the restructuring of Shannon Airport.

The Tánaiste: Deputy Carey is correct. Shannon Airport is experiencing growth. I was there two weeks ago and saw the situation at first hand. The Shannon aviation services and miscellaneous provisions Bill is due this session.

Deputy Frank Feighan: Deputy Troy mentioned Roscommon Hospital. I will bring him by the hand to it and show him a really good hospital if he wants to see it. When is the inspection of places of detention Bill due? The prison inspectorate must be ramped up. The Bill will also address visiting committees.

The Tánaiste: I do not have a date yet for the inspection of places of detention Bill.

Deputy Bernard J. Durkan: Given the sad experiences we have had in this country arising from uncontrolled lobbying in the past 20 years, could I ask the Tánaiste the progress to date in the preparation of the control of lobbying Bill, whether it has been discussed in Cabinet, if the heads of the Bill have been approved and when it is likely to come before the House? Similarly, I wish to inquire about that old friend of mine, the bail Bill, which has been hanging around longer than some of the Members sitting on the benches opposite, and in their time as well. Could I ask the extent to which final agreement has been reached on the heads of the Bill and when it is likely to come before the House?

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An Ceann Comhairle: Deputy Durkan inquired about two pieces of legislation.

The Tánaiste: The heads of the regulation of lobbying Bill have been approved by Government and the Bill is expected to be published early in the new year. The draft heads of the bail Bill are at an advanced stage and it is not possible to indicate when it will be published.

Deputy Bernard J. Durkan: I thank the Tánaiste.

Deputy Michael P. Kitt: When is publication expected of the radiological protection (amendment) Bill to provide for the merger of the Radiological Protection Institute of Ireland, RPII, and the Environmental Protection Agency, EPA? When will the convention on the physical protection of nuclear materials and nuclear facilities arising from the legislation be ratified by this country?

The Tánaiste: The radiological protection Bill is expected next year. I do not have a date for the ratification of the convention.

Deputy James Bannon: We must take State asset stripping off the agenda and try to give a firm commitment that power stations, the fishing industry and minerals-----

An Ceann Comhairle: That is very interesting.

Deputy James Bannon: -----keep working for people in this country.

An Ceann Comhairle: I am sure that will be the case.

Deputy James Bannon: When will the mineral developments Bill come before the House?

Deputy Mattie McGrath: What about the big houses in Longford?

The Tánaiste: We had hoped the minerals development Bill would be ready this session but it now looks like it will come before the House early next year.

Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters: Motion

Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe): I move:

That Dáil Éireann approves the exercise by the State of the option or discretion under Protocol No. 21 on the position of the United Kingdom and Ireland in respect of the area of freedom, security and justice annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union, to take part in the adoption and application of the following proposed measure:

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No. 1215/2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters,

a copy of which was laid before Dáil Éireann on 23 August 2013.

Question put and agreed to.

Adaptation to Article 290 of the Treaty on the Functioning of the European Union: Motion

Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe): I move:

That Dáil Éireann approves the exercise by the State of the option or discretion under Protocol No. 21 on the position of the United Kingdom and Ireland in respect of the area of freedom, security and justice annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union, to take part in the adoption and application of the following proposed measure:

Proposal for a Regulation of the European Parliament and of the Council adapting to Article 290 of the Treaty on the Functioning of the European Union a number of legal acts in the area of Justice providing for the use of the regulatory procedure with scrutiny, a copy of which was laid before Dáil Éireann on 12 July 2013.

Question put and agreed to.

Irish Aviation Authority Act 1993 (Amendment of Schedule) (Annex 19 to Chicago Convention) Order 2013: Referral to Joint Committee

Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe): I move:

That the proposal that Dáil Éireann approves the following Order in draft:

Irish Aviation Authority Act 1993 (Amendment of Schedule) (Annex 19 to Chicago Convention) Order 2013,

a copy of which Order in draft has been laid before Dáil Éireann on 30 October 2013, be referred to the Joint Committee on Transport and Communications, in accordance with Standing Order 82A(4)(j), which, not later than 13 November 2013, shall send a message to the Dáil in the manner prescribed in Standing Order 87, and Standing Order 86(2) shall accordingly apply.

Question put and agreed to.

Finance (No. 2) Bill 2013: Second Stage (Resumed)

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

Deputy Frank Feighan: I am delighted to speak on the Bill. I congratulate and thank the Minister for Finance, Deputy Noonan, the Minister for Public Expenditure and Reform, Deputy Howlin, and most importantly, the staff in the Department of Finance. A few months ago we reached a deal on the promissory note. I again wish to put on record the work done by those who work in the Department of Finance to restore the public finances. I commend their vocation to service. The work they have done behind the scenes has been second to none.

There has been much talk about austerity. It is a word that is often abused. In effect, it is about living within one's means. It was not the case that everyone did not live within their means but we are paying the price now. We must achieve a balance. The Government is a coalition of the Labour Party and Fine Gael. It is not the Fianna Fáil Government that effectively held power and sway. I remember coming to this House for ten years from the Seanad when Charlie McCreevy was effectively carried shoulder high from the Chamber. At times we had a sing-song in the smoking area of the Members bar where it was a case of whatever you are having yourself and we will do what we have always done, namely, deliver, not worry about the consequences. As a country, Government and individuals we are paying the price now.

I welcome the scheme of tax relief for home renovation work. The relief will be granted at a rate of 13.5% on qualifying expenditure up to a maximum of €30,000, excluding VAT. The minimum expenditure must be €5,000 excluding VAT. The scheme is most welcome. It will kick start the economy for registered builders and contractors. It is particularly welcome in my area where we do not have many large industries. I urge the Minister to extend the provision to landscape gardeners. The Department of Finance has confined the scheme to the interior of the house. The black economy is active in the gardening area and registered landscape gardeners find it difficult to compete. I ask the Department to look favourably at such an extension. What we are trying to do is kick start the local economy and get people back to work. The 9% VAT rate for tourism-related services, which was due to expire at the end of the year, is to be retained. This is important and very welcome. The measure was very innovative and it helped to kick-start the tourism economy along with the Gathering.

Once again, there was considerable speculation before the budget. Backbenchers rely on the Government but they are not told the content of the Finance Bill until the day of its announcement. That is how governments work, which is fine, but I find it unbelievable that newspapers and other media outlets engage in forecasting on the budget for weeks and claim they know the facts for sure. I am delighted they got it wrong on this occasion. The retention of the 9% VAT rate is very welcome because it is a huge boost for small businesses in the tourism sector. I was out last night and met tourists and learned that prices are still too high by comparison with those in Germany and in the United Kingdom. We must try to get more tourists into the country.

I welcome the Bill. I thank the staff of the Department of Finance for their vocation and commitment to restoring the country's finances.

Deputy Dessie Ellis: This Bill will implement the seventh austerity budget the Irish have endured since the economic collapse. The Government has said it will be the last such budget but the reality is that the Government is wedded to the principle of austerity. It takes a view of the poor, those on low wages, the unemployed and young people that, in its mind, justified and necessitated the use of austerity measures.

While this is the seventh austerity budget, it is very definitely our second austerity Government. Fine Gael does not believe in adequately funded public services but in undermining them.

It does not believe in the public good but in private profit. The Labour Party believes whatever it is told it has to believe and, with honourable exceptions, spouts the arguments of elitist right-wing neoliberalism with gusto, to a level not even heard among most Fine Gael Deputies. The Minister for Social Protection, Deputy Joan Burton is a fine example of this. Nowhere can a greater defender of attacks on the poor be found. The Minister for Social Protection is a disgrace to the principles on which the Labour Party was founded. In this budget, she will oversee the cutting of social welfare rates for those under 25 years. Anyone who cannot find work and who is under 25 will be expected to live on the paltry sum of €100 per week. This measure, which is an extension of a previous cut, will see people fall into very bad circumstances. The previous cuts resulted in some young people, especially those coming out of care, becoming homeless and having to resort to emergency accommodation.

The Minister claims core pay has not been cut. This will not be much comfort to those who will become homeless due to yet another cut to the tiny sum on which they live. The Minister for Social Protection insults us and the intelligence of the public when she responds to this reality by claiming we have no faith in young people and that she is investing in them. It is sickening to have to listen to such utter rubbish. It is sneering nonsense.

Young people are being kicked when they are down and given one option, namely, to leave the country. Many young people have chosen to leave, helping Fine Gael and the Labour Party claim they are tackling unemployment. Many more will go in the coming months due to this budget. The Government is literally forcing our children out the door and calling them layabouts, thereby adding insult to injury.

Another cut made by this Government and overseen by the Minister for Social Protection is the cut to rent supplement for couples. This is on top of a previous cut to rent supplement, which also contributed to making some people homeless following its implementation. The Minister knows this because groups such as Focus Ireland told her so. They compiled reports on the effect of this policy, which the Minister, Deputy Burton, dishonestly claimed would help to lower rents.

These cuts to very vulnerable people, who literally have nothing to get back in terms of discretionary income, are totally unjustifiable and damaging to overall society. They come in the context of 112,000 people on social housing waiting lists, nearly 100,000 people on rent supplement and 30,000 people or so in the rental accommodation scheme. Rent has increased year on year and 5,000 people are homeless.

Never has the housing need been so high in this State or so severe, yet this budget targets those very people who are struggling most to obtain adequate housing. I have in the past made the clear point that this budget will make people homeless. Given this assault to people with a housing need, one would hope the housing budget would receive some kind of boost to offset the potential damage. The Government was certainly intent on making it look like that. It claimed it would invest €30 million in providing 500 homes. Five hundred is a drop in the ocean. One might think every little helps but the problem is evident when one examines the figures. Local authority housing funding is being cut by €15 million. Funding for voluntary and co-operative housing is being cut by the same amount. This supposed boost is just the repurposing of existing funds in a headline-friendly package. It really sums up the Government. All it is willing to give working-class people is spin, and it really believes it is very good at it. However, one cannot eat spin or build houses with it. All the fraudulent column inches claiming something is being done will not change that.

Housing has been cut by 10%, having been cut year on year since 2008 by a total of €1 billion. Somehow, Minister of State, Deputy Jan O'Sullivan, cannot see that spending €30 million is not a boost when there is a cut of €60 million. She claimed that people with disabilities would comprise a specific focus in the provision of new housing through the budget. This does not stack up with the numbers. Adaptation grants were cut by 40% last year. Dublin City Council had to close its scheme for the year as the money had run out by the summer. The new grant money included in this budget is money to help people to extend their houses. I do not doubt that, for some, having bought a small home during the boom that is now unsuitable and unsellable, a new extension is essential to their comfort. However, it is scandalous that it is possible for someone to get a grant to subsidise the construction industry to build him or her a pool room while elderly and disabled people go without basic upgrades to their homes to make them accessible.

Other cuts in the budget, representing a policy of continuing austerity, include the abolition of the bereavement grant, which helped poor people, especially the old, to afford the cost of a funeral. Increased prescription charges on top of the previous charges are also a feature. Medical cards have been cut. Some tens of thousands of people will be affected as a result of the cuts to medical cards under the budget.

There have been cuts affecting local drugs task forces. I have been a member of the Finglas–Cabra drugs task force for more than 12 years. Year on year, there have been cuts. The cuts affecting many of the drugs task forces have been across the board. The Finglas–Cabra drugs task force is the least subsidised in the country. It gets the least money, yet there will be an across-the-board cut rather than one that accounts for the specific needs of each task force. The Finglas–Cabra drugs task force is one of the most active in the country.

There have been cuts to maternity benefit. The cut to the telephone allowance for the elderly, which helps pay for an alarm system, is putting the lives of the elderly at risk. The savings in this regard are so minuscule that it does not make sense to cut the allowance, thereby putting people at risk, particularly those in vulnerable or rural areas and isolated locations where people do not have family present or where people do not come to visit.

This is a budget that attacks the poor, vulnerable and working-class people as a whole. It is a budget by a party that holds this approach as a matter of principle, and that party is supported by another that does not know what principles are about.

There was, is and will be an alternative, that is, a fair and equal approach to how a society and economy should be run. Sinn Féin gave the Government the opportunity to embark on that path again this year and it was rejected. We will continue to put forward the path to that alternative.

1 o'clock

We will continue to challenge this Government and its agenda. There are other ways of raising funds. This Government has no history of going after those who have money. That is the difficulty for members of the Labour Party - how do they justify cutting the incomes of people at the bottom when the people at the top are not touched?

Deputy Michael Colreavy: As we are meeting today, representatives of the troika are packing their bags. Indeed, they may well be at the airport by now, on their way back to their homes or offices. It is clear that there is a difference between what the troika is saying and what the

Government is saying about what might happen after the IMF programme comes to an end in December. In all of the discussions, with differences of opinion and differing statements, there is only one key question. Will the troika's departure mean that the Members of this Parliament can, at long last, begin to build an economy that works for all of the Irish people rather than forcing Irish people to create an economy for Irish and European vested interests? The answer is that the troika's exit will not make a whit of difference - not a whit.

Despite the official line from the Government about the State regaining its sovereignty, it is very evident that the troika will still insist on overseeing the policies to be pursued by this Government and possibly by its successors, depending on what happens nationally and internationally over the next several years. We are debating the measures in the Finance Bill today because of that very background and context. The entire austerity programme, all that has flowed from it and all the harm it has done is a consequence of the bailout programme, necessitated by the disastrous decision to bail out failed banks. The question now, which should be debated in this House and not decided in some back room in Brussels or by the German Government, is whether this State should enter into a new credit agreement and what policy and fiscal conditions would attach to any such agreement.

It is apparent from the signals emanating from the troika that it is keen to retain its oversight of the State's financial and economic policies. For instance, there are reports in the media today regarding the troika's briefing on our health services and its recommendations for further cuts. Some of what the troika argued, for example, about the high price of GP visits and of generic medicines is valid and has already been highlighted by Deputies in this House, including members of my own party. However, we have seen that the cuts imposed as part of the austerity programme have had a serious impact on the level and quality of patient care. That should make us very cautious indeed about the continuing influence of the troika over the coming years.

It is vital that we regain our financial sovereignty and that we use that sovereignty to pursue positive policies that will stimulate growth, rather than what we have seen here over the past number of years. Sinn Féin has set out its alternatives and we have outlined how we intend to pay for them. We would abolish the property tax, which is an added imposition on already-struggling households, but we would compensate for that by taxing those who can afford to pay more. Among such measures would be a third rate of tax of 48% on income earned in excess of €100,000. We would reintroduce the non-principal private residence charge and set it at €400, as well as increasing DIRT by 3% to 36%.

I referred earlier to the troika's comments on further cuts in the health service. We agree that savings can and should be made, but not through further cuts to services. Such savings could be made on branded medicines as well as by altering prescribing practices. It is shameful how much more we pay here in comparison with our European neighbours for medication. It is absolutely shameful and we should not allow it to continue. Sinn Féin would charge the full cost of private care in public hospitals and implement measures to improve productivity. Indeed, there is much scope to improve productivity. We would also reduce consultants' pay by 15% on income between €150,000 and €200,000 and by 30% on income of over €200,000 per annum. We would introduce similar reductions for those in the public sector on higher rates of pay and pensions. That would include a 15% reduction in public sector salaries between €100,000 and €150,000 and a 30% reduction in incomes over €150,000. Neither would we leave ourselves untouched. In regard to Oireachtas pay and allowances, we would reduce the Taoiseach's and Ministers' salaries and reduce the salaries of TDs and Senators to €75,000 and €60,000 respectively. When we say we feel people's pain, let us mean it. We believe that ideas such as those

I have outlined would be a much fairer way of making savings in the public finances than continuing to target those least able to afford reductions in their income. The savings would also protect front-line public and voluntary services.

There is also a need for a genuine stimulus programme, and we have shown how such a programme would be financed. The Government claims to be in favour of such a programme but has done nothing to deliver on that claim. Indeed, the cumulative impact of the cuts across every sector has had the opposite effect by taking money out of the economy, with the inevitable impact that has had on employment and job creation. Even potentially positive aspects of the Government's own programme, such as the proposal to establish NewERA as a proactive public entity involved in the energy sector, appear to have been put on the shelf. The reason is that the entire thrust of the IMF programme and, indeed, the dominant ideology of this Government - including, increasingly, of its Labour Party Ministers - is opposition to public investment. Sinn Féin, on the other hand, along with many key sectoral groups such as the ICTU, have outlined the need for substantial public investment which would pay massive dividends in terms of job creation and reviving the economy. Particular focus is needed on the sectors in which we already have or could establish an advantage. Agriculture and food is clearly one such sector and so is renewable energy. There has been much talk of the potential here in wind and wave energy. Not only have we the capacity to become self-sufficient in electricity, we could also become exporters of electricity from renewable sources such as wind. We could, but unfortunately this Government seems devoid of any real strategy to ensure this comes to fruition. There is much talk about renewable energy, but it appears the State is content to allow the sector to proceed haphazardly instead of taking the lead in both policy and investment. In the absence of a political strategy, private companies will continue to cherry-pick the projects and ride roughshod over people's rights, and will perpetuate the enrichment of investors while paying buttons to this State and its citizens. My party will be opposing this Bill as well as campaigning both in the House and in our communities against the budget and other cuts. We will also be putting forward our alternative basis for a real stimulus package of employment and job creation through investing in our indigenous resources, as well as those sectors with most potential to develop. This will help lead us out of the clutches of the IMF and austerity. The Government may claim we are pedalling faster now, but it is against a strong headwind and uphill. The problem is that we are pedalling in the wrong direction.

Acting Chairman (Deputy Ann Phelan): I call on Deputy James Bannon, who is sharing time with Deputies John Paul Phelan, Anne Ferris and Brendan Ryan.

Deputy James Bannon: I welcome the Finance (No. 2) Bill 2013 and the fact that it is being dealt with in the same year as the budget statement. This is a pro-business and pro-jobs Bill in which at least 25 measures are being introduced. For example, the retention of the 9% rate of VAT for the tourism and hospitality sectors will support the increased number of jobs to be created in a quickly expanding sector.

The start your own business incentive scheme will provide for an exemption from income tax up to a maximum of €40,000 per annum for two years for individuals who set up a qualifying unincorporated business, having been unemployed for at least 15 months prior to its establishment. This is a great employment activation measure. However, we must do a better job of promoting the schemes that are available to help businesses.

The Minister for Jobs, Enterprise and Innovation, Deputy Richard Bruton, was in Longford on Tuesday night, at my invitation, meeting local business leaders. Businesses from all over the

midlands were represented. It was a successful meeting at which the general consensus was the need to encourage companies to regionally diversify investment across Ireland, particularly in the midlands. Hopefully, IDA Ireland and Enterprise Ireland, represented at this meeting, will breathe new life into the midlands. We need to sell the employment and business advantages of the midlands abroad. Inward investment is essential and, more than ever, the lifeblood of rural areas such as counties Longford and Westmeath. The midlands has the right people with the right skills and a fine third level educational facility in Athlone Institute of Technology.

Infrastructural provision is an essential part of any development. The unfortunate curtailment of road projects such as the N4 and N55 improvement schemes has an adverse impact on economic recovery. We cannot congratulate ourselves on being to the forefront of cloud computing technology if businesses and households cannot get basic broadband services, as has happened in counties Longford and Westmeath. If foreign investors do not find the basics here, they will go elsewhere. We need more multinationals to invest and locate in the midlands, the best place to do business. Those representing Abbott Pharmaceuticals, which is based in the home town of the Minister of State, Deputy Perry, have told me they are fond of the midlands as they consider it one of the best environments in which to work.

I welcome the increase in the farmers' flat rate addition from 4.8% to 5% with effect from 1 January 2014. The flat rate scheme compensates unregistered farmers for VAT incurred on their farming inputs. The flat rate addition is reviewed annually in accordance with the EU VAT directive. The increase to 5% in 2014 continues to achieve full compensation for farmers.

I have one major concern with regard to the change to the eligibility thresholds for medical cards for those over 70. In last year's budget, the gross income threshold for an over-70s medical card was lowered from €700 a week to €600 for a single person and from €1,400 a week to €1,200 for a couple. For some reason, however, in this budget the threshold is €500 for a single person and €900 for a couple. That is simply unfair to elderly couples, and I question the measure's constitutionality.

I very much welcome the abolition of the air travel tax and the fact that we are already seeing the benefit in jobs and new routes into the country.

Before the Government took office, 250,000 people had lost their jobs in the previous three years and our country's sovereignty had been sold out by the previous Administration. Up to 36,000 jobs have been created this year alone. By the end of the year, we hope our economic and political sovereignty will, after many years of hardship, finally be restored.

Regulation is a significant burden on small businesses. We need to make it easier for small businesses to be set up. Will the Minister of State, Deputy Perry, take note of this?

Acting Chairman (Deputy Ann Phelan): The Deputy's time is up.

Deputy James Bannon: I know my time is running out and that Deputy John Paul Phelan from the fine constituency of Carlow-Kilkenny wants to get in.

Acting Chairman (Deputy Ann Phelan): Yes; the Deputy is eating into his time now.

Deputy James Bannon: This is a pro-jobs and pro-economic-growth Bill. I commend the Minister on putting it together.

Deputy John Paul Phelan: The last few times I have spoken in the Dáil, I have had the

unfortunate distinction of being after Deputy Bannon, who is even more verbose than I am.

I commend the Finance (No. 2) Bill 2013 to the House. While I like Deputy Colreavy, I am not sure what types of bicycle they have in Leitrim. In Kilkenny, one can only pedal a bicycle one way, not backwards, because of the mechanics of it.

Deputy Michael Colreavy: One can still ride it in the wrong direction, though.

Deputy John Paul Phelan: This budget, while containing many difficult measures, is taking the country one step further in the right direction. Deputy Colreavy referred to the troika leaving the country and a few minutes ago the European Central Bank announced a cut to its lowest interest rate ever, 0.25%. There are some positive signs of growth. While I agree there are not enough signs, I found it a bit churlish of Deputy Ellis to concentrate on the Social Welfare Bill and emigration without acknowledging that Central Statistics Office figures show that 35,000 additional people are working in Ireland over the past 12 months. While I would like to see employment rates grow more quickly, it is the first time they have grown in the past five years, as well as the first time unemployment has dropped below 400,000. This is a step in the right direction.

I forgot that Sinn Féin's budget proposals spoke about reducing politicians' wages, with a substantive cut for Deputies. That is a fair political point to make, but there was no cut for Senators. Maybe the result of the referendum changed Sinn Féin's mind on the value of the Seanad. It is puzzling that Sinn Féin did not propose to cut Senators' current pay of €60,000. It is also ironic when one considers that Sinn Féin opposed the Haddington Road agreement, which saw a €5,500 cut to Deputies' salaries.

I commend the Minister on the retention of the 9% VAT rate for the tourism sector, which was an issue of concern in Kilkenny, where tourism is a significant industry.

The pupil-teacher ratio is under a different Department, but it is highly contentious. As a former teacher, the significance of keeping classes as small as possible, particularly at primary level, is important and it is welcome that the ratio was retained. I welcome this morning's announcement by the Minister, Deputy Ruairí Quinn, on the school summer works scheme being reinstated. When the previous Government got rid of it, I was on the board of management of a school which had carried out significant work under that initiative.

The new tax scheme for home renovations is a welcome incentive for many people who will be seeking to improve their living accommodation. I welcome it, as well as the extension of the Living City initiative from Limerick and Waterford, where it was originally rolled out, to Cork, Dublin and Kilkenny. I am sure the Acting Chairman, Deputy Ann Phelan, also welcomes its extension.

I wish to raise some concerns. Since the budget was announced, I have received the most correspondence on the tax credit changes for unmarried parents who do not live together. Yesterday the Minister announced some changes and I hope he can see them carried through when the Bill is finally passed.

Deputy Michael Colreavy mentioned investment in agriculture and the significant announcement in the budget that a new suckler cow scheme would be unveiled. This is both substantial and important in a sector of agriculture that was under severe pressure. Many have left the suckler farming sector in the past few years, but this scheme will provide an incentive for them

to remain and keep the standard of beef production as high as possible.

I cannot let the opportunity go without voicing my concerns on the local property tax. Its highly contentious introduction last year went relatively smoothly, but the handling of the issue by the Revenue Commissioners in the dissemination of that letter to the public was calamitous. The letter was as clear as mud and has caused much unnecessary upset among the public. Revenue got it badly wrong.

Deputy Anne Ferris: I have welcomed the job creation initiatives in the Bill; the home renovation scheme, the start-your-own business scheme, the extension of the Living City initiative to the restoration of old buildings in Dublin and the broadening of the eligibility terms for film making tax exemptions will all provide considerable job opportunities for people working in my constituency. I have spoken in great detail about each of these initiatives on another occasion and look forward to monitoring their effects as they become embedded in their respective marketplaces.

Today though I will speak specifically about the Magdalen laundry provision in the Bill. The legislation provides much-needed clarity on the tax status of survivors who were admitted to and worked without pay in 12 named institutions listed in the Bill. Victims in these institutions who are eligible for redress payments finally have confirmation that there will be no obligation under the law for them to pay taxes on their awards. With respect to the adults and children who suffered and continue to suffer, directly or indirectly, I remind the House of the names of the 12 institutions mentioned in the legislation. They are House of Mercy Training School, Wexford; Magdalen Home, Forster Street, Galway; Monastery of Our Lady of Charity, Sean McDermott Street, Dublin; St. Mary's, Cork Road, Waterford; St. Mary's, New Ross, County Wexford; St. Mary's, Pennywell Road, Limerick; St. Mary's, Sunday's Well, Cork; St. Mary Magdalen's, Donnybrook, Dublin 4; St. Mary's Refuge, High Park, Grace Park Road, Drumcondra, Dublin 9; St. Mary's Training Centre, Stanhope Street, Dublin 7; St. Patrick's Refuge, Crofton Road, Dún Laoghaire, County Dublin; and St. Vincent's, St Mary's Road, Cork. It is welcome that the Government is continuing to honour its commitments to the victims of these institutions. There remains, however, a significant gap in governance and the legislation on this abuse and other redress schemes for which the State is rightly accepting part liability. As it stands, there is still no commitment to 50:50 payment of redress from these or other religious orders. They are not paying their fair share and if that is allowed to continue, the sad irony is that money paid to the victims will be paid by the innocent children, grandchildren and great-grandchildren of the victims, with other innocent citizens, through taxes and cuts to public services.

There are high value assets owned by church bodies in Ireland that enjoy charitable tax status and considerable annual State investment in the form of building grants and payments to cover day-to-day running costs. In many cases there is an accounting assumption in the books and accounts of such church-run, State-sponsored facilities that pension deficits for their staff will be funded by the State at some point in the future. There must be some mechanism available to the Government to claw back from religious organisations a fair contribution towards the redress bill, whether through taxation or other means. If there is no such mechanism, I respectfully suggest the Minister give strong consideration to this issue in the next budget.

The damage caused by the scandal of the Magdalen laundries and other church abuse stories is of a scale that matches Ireland's modern day banking scandal. The financial cost to generations of Irish people of this and other abuse redress schemes, without fair contribution from the church, will certainly exceed €1.5 billion. This House has agreed that the banking scandal

will be the subject of an inquiry. The church scandals also need separate public inquiries, with witnesses from the State and church organisations being called to give evidence. If there is an expectation that the people will suffer an unfair share of the cost of these redress schemes, the people are entitled to know why.

Deputy Brendan Ryan: I welcome the retention of the 9% VAT rate for tourism related industries. This has been a successful initiative by the Government to stimulate this area of the economy and its extension for a further year is important as we work our way towards recovery. I have supported the campaign for its retention for at least another year and I am glad it is included in the Bill.

The home renovation scheme is also a welcome initiative and I hope it serves to stimulate the construction industry. Another legacy of Fianna Fáil's economic collapse is the high number of highly skilled tradespeople who are now long-term unemployed, many of whom are my friends. The home renovation scheme which is already up and running will, I hope, go some way towards stimulating this sector of the economy and getting people back to work. The scheme is open only to people who are compliant with the local property tax scheme and will allow them to claim tax relief on home improvements to a maximum credit of €4,050.

One issue in the budget which caused many people to contact my office was the proposed replacement of the one parent family tax credit with a new single parent child carer credit. This proposal was a mistake and unfair and I was pleased to hear the Minister say on Tuesday that, after listening to the views of Deputies, he would bring forward an amendment to this section on Committee Stage. This amendment will allow the credit to be used by a non-primary carer in situations where the primary carer has no tax liability. I welcome this amendment and look forward to supporting it on Committee and Report Stages.

With the opportunity the passage of a finance Bill provides, I ask the Minister to consider an important matter in the context of amendments on Committee Stage. I would like him to re-examine the position of people, predominantly apartment dwellers, who bought homes during the boom years and pay hefty annual management fees. These homeowners are also subject to the local property tax. There are many in my constituency who pay Celtic tiger mortgages on properties in negative equity and are due to pay both the local property tax and their management fees. January, for people living in apartments or managed estates, is a month of extra financial hardship. The bill for management fees can range anywhere from €800 to over €1,000. At a time when almost everybody is tightening his or her belt after Christmas and planning annual household budgets, apartment dwellers and those in managed estates have the extra bill for management fees to cope with. I accept that there are complex issues surrounding management fees, including issues to do with non-compliance. Many families are simply unable to afford what in essence is a 13th mortgage payment in any given year. Some people refuse to pay management fees to companies who do not properly manage their estate. This leaves others in an invidious position; do they pay, knowing a sizeable proportion of their neighbours may not be paying? This is a difficult situation and has knock-on effects on people's well-being and mental health.

Apartment owners especially have seen the value of their properties drop further than any other type of property. While house prices in Dublin and Fingal are starting to rise again, apartment prices remain pretty flat. Apartment owners, by and large, rely on management companies to manage the immediate vicinity of their home, open spaces, lighting, sewerage, potholes and grass cutting. These are some of the basic public services which will be supported by our

local property tax. No matter how it is spun, apartment owners in managed estates pay the same rate of property tax as a person in an adjoining estate under the charge of the council, yet they do not receive these same basic services.

I appeal to the Minister to examine the possibility of introducing a tax credit scheme or some other instrument for those people who have paid their annual management fee. We can, in a small way, recognise the reality of the situation of those living in apartments and managed estates by allowing a percentage tax rebate or credit for those people paying management fees. This would be a relatively small concession, but it would benefit hard-pressed homeowners and, at least, give some acknowledgement to them that the Government recognises the difficulty of their particular situation.

I am asking the Minister to consider doing something in the context of this Finance Bill. I would be happy to meet with him to discuss it further at his earliest convenience, if he is so willing.

Deputy Seamus Kirk: I am glad to have the opportunity to make a brief contribution to this debate. A number of underhand changes included in the budget will have a significant impact on people's incomes, for example, the increase in the DIRT tax, the reduction in the tax credit for medical insurance and the abolition of the single parent tax credit. I am glad to hear the Minister is contemplating introducing an amendment in that regard. People who save, either by putting money aside for their pension or on deposit in a bank, are being hit by punitive taxes. The €500 million jobs package is grossly exaggerated. Changes to the pension regime, the expiry of the reduced 4.5% rate of employer PRSI and changes to sick leave benefit will have an impact for all business in terms of cost of employment. Increases in excise duty will do much to negate the benefit of the retention of the 9% VAT rate for the hospitality sector.

I would like to focus on a number of elements of the Finance Bill and will begin with the issue of medical insurance tax relief. The reduction in tax relief for medical insurance is based on a flawed and misleading understanding of the market. The Government has said that this change will only affect "gold-plated" policies, but it will impact approximately 90% of all private health insurance products currently on the market. Customers will end up paying more for their health insurance and more people will be driven out of the private health insurance market, despite the Government's stated intention of creating a system of universal health insurance. The CEO of GloHealth stated that given the obvious benefits, the decision to cut health insurance tax relief is counter productive.

We have a struggling public health system that is becoming ever more overloaded and patients will wait longer for their treatment, with all the consequent distress and suffering. It does not need to be this way. By keeping health insurance affordable, the Government could support the use of additional capacity in private hospitals, while also protecting the HSE's revenue from private patients in public hospitals. Where is the fairness both Fine Gael and Labour always talk about? This measure will have an impact on 90% of people. People in my constituency will be affected, from the Cooley mountains to the Boyne River. This is unfair and wrong. It needs to be changed. In the Fine Gael five-point plan, Fine Gael promised it would "create a completely new, fairer, more efficient health system." We are still waiting for these changes. The Government has been in office nearly 1,000 days, 974 days to be precise, but these changes are non-existent.

The increase in DIRT tax is another example of short-term and short-sighted action on the

part of the Minister. Section 18.4 of the Fine Gael manifesto referred to DIRT tax and stated that deposit interest retention tax would be increased from 25% to 30% to encourage higher levels of household consumption. The Government has increased the tax on deposit savings by a massive 14%, with an additional 4% PRSI also applying. This is a punitive tax on people who have prudently saved money from their after tax income. Any pensioner earning over €18,000, or €36,000 for a couple, is liable for DIRT at the full rate of 41%, even if they are only subject to income tax at 20%.

For low income families under 66, the threshold is even lower. The Department of Finance appears to believe engineering an environment of low returns on savings will prompt consumers to increase spending. However, this strategy severely penalises people who are putting money aside for expected future expenses, including children's education, medical costs and nursing home care. The increased DIRT rates take no account of people's income level. Low income earners who have put aside some savings pay the same rate of DIRT as millionaires. Why has the policy been changed in this area? DIRT penalises the prudent, the smart and sensible people who want to save to make a better life for themselves, their children and grandchildren.

Before I conclude, I would like to welcome the start your own business scheme. This is a progressive and positive move that offers some prospects of creating employment. However, there is a need to peel away the suffocating costs that stifle development. Take for example the issue of farm expansion. Food Harvest 2020 suggests the world needs more food. In the dairy sector alone the capital expenditure required to gear up production levels on individual farms is horrendously challenging for farmers. Capital write-off is over a period of seven years, but there is a strong case to be made for reducing that to a three year period or giving individual farmers the choice of three or seven years. The suckler cow scheme is the basis of our beef industry. While any encouragement to retain the number of suckler cows in the national herds is welcome, there is a need for an overall strategy to ensure we have the raw material for the beef industry in the future.

Deputy Billy Kelleher: I welcome the opportunity to speak on this Bill. I did not get the opportunity to make many of the points I would like to have made in the debate on the budget as the debate was concluded before I got that opportunity. Therefore, today I intend to speak not just on the Bill but on the broader fiscal decisions the Government has made in the budget that feeds into the Bill.

The Department of Finance comes in for significant criticism regarding why we are where we are and the difficulties that have fed into the economy over many years. There is a political responsibility for that, but there is also an administrative responsibility and culpability. However, it beggars belief that we now have a situation where the Minister and Department of Finance are now systematically undermining the Minister for Health. The poor Minister for Health was at an Oireachtas committee meeting a couple of weeks ago, after the budget, at which I asked him a simple question about private health insurance. I asked him whether he was aware a cap had been put on the relief available for it. He said the first he heard of it was when the Minister apprised him of the tax implications of the budget.

I have no wish to pick a fight with any Minister here, but one of the central tenets of the Government's health policy is universal health insurance. This means we need to have a vigorous, vibrant health insurance market if we want to attract as many people as possible to take out private health insurance. This is the basic principle of universal health insurance. We can argue over implementation of universal health insurance or whether it is the right way to go,

but the central tenet remains the same. We are waiting for the White Paper on universal health insurance, but the Minister for Finance has decided to drive a coach and four through Government policy. This beggars belief. It beggars belief on a number of fronts. It beggars belief the Department of Finance does not have a notion about the Government's policy on health. If it did, it would have asked the Department of Health for its views and opinions on private health insurance. Most people have health insurance policies that are far from being gold-plated. They had assumed that if they were paying €1,000 for their health insurance policy, that was what it cost; they did not realise another 20% had to be added because of the tax credit system. The average person with an average health insurance policy will see the cost increase next year because of the Minister's policy of charging the full cost for private patients in public beds and many other medical inflationary pressures. The real reason it will increase is the Department of Health was not consulted and the Department of Finance and the Minister decided to abandon the Government's policies on health and drive a coach and four through them. This is inexplicable, but we all sit around and pretend it has not happened.

The Minister for Health has no credibility when it comes to arguing his case at the Cabinet. If he did, one would assume the Minister for Finance would have told him that he had been scratching around trying to find ways of implementing the Government's broader policies and that he was thinking of reducing the tax relief on private health insurance to raise several hundred million euro. The Minister for Finance would have explained this would have a direct impact on the cost of health insurance which would mean that more people would leave the market, the debt spiral would continue and private health insurance would become more expensive and he would have asked the Minister for Health what he thought of this. I am quite definite the poor Minister for Health would have told him not to undermine the central principle of Government policy in delivering health care for the next generation. He would have told him he was going to publish a White Paper on universal health insurance in several weeks or months and not to introduce this measure. The Minister for Health was not even asked and no consultation took place. We have since found out he was handed a €666 million cut by the Minister for Public Expenditure and Reform.

We have a major problem. As this particular provision is included in the Finance (No. 2) Bill, I cannot for the life of me understand how we can pretend in the Chamber there is a coherent plan on one of the most fundamental issues facing the Government on a continual basis - how to fund health care. The mandarins in the Department of Finance either did not tell the Minister for Health or the Minister for Finance, or the Minister for Finance did not know or does not care that a central policy of the Government is to support private health insurance to ensure we will have a vibrant market when a system of universal health insurance is rolled out. I have major concerns about this aspect.

It is a grave insult for the Minister to state it only affects gold-plated policies. I am sorry, but it does not affect gold-plated policies only. It affects people who have decided to pay their private health insurance premiums and who are at their pin of the collar every month in trying to make this payment if they are paying by direct debit. Next January or February they may face a choice between filling the tank with oil or gas or renewing their private health insurance policy. They are not gold-plated policies; far from it. This will add a huge burden on families who are in debt and under pressure. The Minister for Finance waxed and stated it was only gold-plated policies which would be affected. That is disingenuous to say the very least.

This issue must be revisited for a number of reasons. It is an attack on those trying to provide for themselves and lighten the burden on the State by not having it provide health care for

them. At least, the rate of relief should be raised to go after the gold-plated health insurance policies. Perhaps this might be considered. It is simply not the case that every health insurance policy is gold-plated. I, therefore, ask that this measure be revisited. We are awaiting a White Paper on universal health insurance and I am quite definite, regardless of whether one has a social democratic perspective or an alternative view on how the health service should be funded, that the one central principle required for a system of universal health insurance is that there be a vibrant health insurance market. There is no other way. It will be either State supported or supported by the private insurance sector, but there must be an insurance market.

I welcome the retention of the 9% VAT rate for the tourism sector which has an immediate impact on job creation in communities throughout the country. It is important that the industry have certainty that this will be the case for a definite period. With regard to the travel tax, I welcome any measure that will help business and the flow of people into the country, in particular.

The central issue concerns the thrust of the Government and the direction in which it is going. To make a very political point, I do not believe there is any point in the Labour Party being in government any more. I say this for one reason - the budget would not have cost one cent for a person earning €250,000 five weeks ago, but it would have cost a pensioner in rural Ireland who required a telephone €9.50 a month at the very least, not to mention the removal of other fringe benefits. We must revisit this issue. Are we asking the people in receipt of basic social welfare pensions to meet the budgetary deficit? That is what the Government is doing. I cannot accept for any reason that there is an economic argument to be made that those who can pay the most cannot be asked to do so but those on the margins of society will be burdened. This will be reinforced by the Bill, coupled with the social welfare legislation debated in the House recently. The thrust of Government policy in reining in the public finances is inherently unfair.

Politics is about choices. Fine Gael has boasted about winning the debate in government because income tax has not been increased. The poor Labour Party Ministers must come up with another argument that social welfare rates have not been cut. Tell a person on €227 a week who is losing the €9.50 telephone allowance that it is not a cut. I beg to differ. If people earning more than €150,000 were asked whether they could make a larger contribution through the universal social charge or income tax, they might not like it, but they could do so, while the telephone allowance could be left alone.

This is not a political point pulled out of the sky by anyone on this side of the House. It is recognised by every independent research body in the country. The three most recent budgets have been regressive, as the ESRI and many other organisations have stated on a number of occasions. We have had a change of dynamic and direction in policy. From 2008 to 2010, during the most difficult times when budgets were announced frequently and public expenditure was reined in at pace by a figure of up to €6 billion per annum, we still asked those who could pay most to do so. I believe we genuinely have to address that issue. We can find the money somewhere else and we have stated quite clearly where we could find it. Not only that, we have stated what the Government should have done. I simply cannot accept that it is now asking those on basic social welfare payments to pay, yet the Labour Party tells us again that there has been no cut to social welfare payments. I am sorry, but if a person was in receipt €188 a week at one stage and is now on €100 because of changes to the age limits for basic social welfare payments, in my book that is a cut of €88 a week, no matter what way one looks at it. Despite this, we are told it is just an extension of the age limit from 21 to 25 years, not a cut. It is certainly a cut for anybody who was in receipt of €188 a week. The difficulty is that those who are drafting, promoting and implementing policies do not seem to understand that when one is living on

the margins, €1, €2, €9.50 or €88 a week, for a young man of 24 years of age, is a major cut and will have a devastating impact on one's ability to partake at the very margins of society, never mind to move into the mainstream again.

The Finance Bill, for all of the frills and graces around pretend Mickey Mouse job schemes, is deeply unfair and flawed. The Government is asking those who have the least to pay the most and carry the burden in meeting the deficit the country faces.

Deputy Willie Penrose: I welcome the opportunity to make a contribution and, I hope, some constructive observations on the Bill. I appreciate the economic backdrop against which the budget was constructed. I recall vividly the first few Cabinet meetings I attended from March to June 2011 when our reputation was in tatters and on the floor. I am somewhat bemused by the contribution of the previous speaker who was a Minister of State in the outgoing Government that left us with a forlorn task.

Deputy Billy Kelleher: I did not abandon ship halfway through, like the Deputy.

Deputy Willie Penrose: We only had enough money in the national coffers to pay pensions, wages, for public services and meet day-to-day commitments for five months. How quickly people have forgotten, particularly those who contributed to our losing economic sovereignty; that is beyond me. Fianna Fáil has rewritten history and reinvented itself at a pace that has astounded even some of its own members and supporters. Of course, the general public is right to look ahead towards a brighter horizon but that they should put the blame on those who have tried to rescue the situation is unusual.

As Deputy Billy Kelleher said, there were choices. I recall the choices made by Fianna Fáil to cut all social welfare rates by 4%, including the blind pension and the disability allowance. At the time I gave out about it, but I understand also that it is difficult to make cuts in any area. Restoring our reputation abroad was the first crucial step we had to take. We then had to engage in a rescue operation which has taken the best part of two years and been severely circumscribed by the troika agreement, on which the signature of the previous Fianna Fáil-Green Party Government is indelibly imprinted. Now, we are embarking on the recovery phase. Of course, the huge sacrifices made by the people - citizens - and all of the various measures they have had to encompass, the burden of tax increases and expenditure cuts they have had to carry are all laid out in the troika agreement. It was a sovereign agreement and, while there might have been a chance to work within it, the overall targets had to be achieved. The people have been instrumental in getting us towards this phase of recovery. They have carried the load.

The staging of rebellions would have given some degree of satisfaction, but it would not have contributed one iota to finding a solution. I recall a colleague of mine who died this morning, former councillor Mark Nugent. He contributed hugely to the creation and salvation of Bord na Móna to what it is today. When he was a worker-director, he always said one had to face up to things and explain them clearly and unequivocally to people. The people may be angry, but they understand that it is for the best of motives to achieve the best results. That is what he did. In his memory and in tribute to his loyalty and integrity, we could all copy what he achieved in his political life.

When one is in the clutches of the moneylenders, one is in very severe difficulty. I hope the public's tolerance, patience and forbearance which I acknowledge will see a return to a measure of hope and prosperity, though certainly not on the scale of the economic lunacy we witnessed

during the illusional boom years.

The Labour Party has ensured since it entered Government that the least well-off and basic rates of social welfare have been protected. Some of the cuts were certainly hard to take. However, I hope when matters progress, that we will be in a position to reverse them. Today the Minister for Education and Skills, Deputy Ruairí Quinn, has announced the restoration of the summer works scheme and the small works remedial scheme for schools, which are hugely important. This is a huge relief for boards of management and parents associations and will give sustenance to the construction industry, particularly local registered builders who are compliant and will have an opportunity to improve the school environment, which is essential. Education is our way back and must remain our number one priority. The Labour Party made sure it was our number one priority and we should be very proud of the achievements of the Minister in the budget.

Banks are still not lending to small businesses, particularly start-up businesses. This remains one of the big issues. The Government has to consider the establishment of a State investment bank, which has long been Labour Party policy. I authored the policy on a strategic investment bank and it was my own idea. It would be analogous to the ACC and ICC model. These were great institutions when they were in the control of semi-State institutions and provided much-needed capital for businesses and the agriculture sector. We can go back to that model. It is only when they started to become involved during the property boom that some of the institutions lost their way. A State investment bank is essential. I believe we need such a bank to help the economy to recover, businesses to get off the ground and, in particular, ensure there will be competition.

The new training agency, SOLAS, must be much more effective and focused than FÁS was. It must ensure young people are trained and given the skills needed in the growing sectors of the economy.

The transfer of the local property tax revenue to local authorities will enable them to be more effective and they should be encouraged to be more developmental and support local small businesses. The people should be in a position to see where their hard-earned money is spent. I am not happy that the transfer has been deferred to 2015 and believe this issue should be revisited.

Much spending during the boom was not well targeted. As a result of the reduced resources currently available we have an opportunity to assess projects much more carefully and apply good financial practice. Multi-annual budgeting should be introduced in all areas of public expenditure.

Banks need to remain competitive, not revert to the cartel philosophy that they followed before the arrival of the foreign banks that are now departing. Many of the foreign banks certainly had an influence during the boom that was not helpful to the economy. The only positive thing that can be said is that they brought competition. I hope the banks will not return to the old level of charges imposed. They need to cop themselves on, particularly those that have been rescued by the ordinary people of the country.

Local tourism interests will certainly gain from the 9% VAT rate. It is good news, particularly for the hospitality and tourism sectors, that this rate has been retained as one of a suite of measures to boost the economy and create much-needed jobs. It was initially introduced as part

of the jobs initiative and it is imperative that it be retained to ensure the continued success of the tourism and hospitality sectors. I am delighted that, despite the challenging economic times, it has been retained because it has led to the creation of additional jobs.

The home works scheme will boost the economy. In particular, the tax relief for home renovation and maintenance works will give homeowners and small builders a boost. It will incentivise homeowners to spend money on their homes by offering them a tax break of 13.5%. As I said, it is good news not just for households but also for builders and contractors at local level. The measure will create employment and business for small-scale builders, carpenters, plumbers and other workers in the construction sector. Crucially, it rewards registered and tax compliant tradespeople, clamping down on illegal activity in the local economy and ensuring the Exchequer benefits from legitimate activity.

The build-your-own business initiative announced in the budget is designed to help aspiring entrepreneurs to start their own businesses. For many people who are keen to start their own businesses, the initial income tax payment can be a huge deterrent in taking the plunge. Under the new initiative, a long-term unemployed person starting his or her own business can earn an income of up to €40,000 per annum for two years without paying any income tax. I encourage anyone interested in finding out more information on this initiative to pursue it.

2 o'clock

The one-parent family tax credit is to be abolished and replaced with a single parent child care tax scheme. This will give rise to a number of anomalies and I suggest that it is, in fact, discriminatory. The amendments that the Minister signalled he proposes to introduce on Committee Stage are grossly inadequate in dealing with the anomalies that have been drawn to my attention by individual constituents who are deeply angered by this proposal, which fails to recognise their specific circumstances. The proposal to abolish the credit is too wide and all-embracing in nature and should be completely reversed. The people who brought this matter to my attention referred to issues such as joint custody with guardianship involved and caring duties provided on a 50-50 basis. At present, mothers receive the child benefit in most cases and both parents currently enjoy tax credits. Under the proposal, however, one parent who is very well off could receive the tax credit. This means it has the potential to be inequitable and discriminatory.

What will be the position with regard to agreements that are the subject of rules of court or which arise during judicial separations or divorce proceedings? Will these all be cast aside in circumstances in which responsibility is shared on a 50-50 basis? One Family, which is a very progressive organisation, has outlined the position on shared child support credits and indicated that this reflects the parity of the situation in the context of shared parenting. It stated that tax bands will have to be adjusted to reflect the new reality but that, at present, child support via maintenance is clearly identifiable and is paid. I understand what the Minister is trying to do but it is critically important that this matter be addressed and that a further anomaly will not be created, particularly as such an anomaly would run contrary to everything he is trying to achieve.

The Minister of State with responsibility for small business, Deputy Perry, is present. There are many good schemes available for small and medium-sized enterprises, but these are not reaching the businesses they should. The retail industry is fighting back but we need to do more for this major supplier of jobs throughout the country. The devolution of the examiner-

ship procedure, whereby companies that are trying to survive will be able to avail of up to 100 days' grace, to the Circuit Court is extremely important. It is at this level that the vexed question of upward-only rents can be tackled head on. Exorbitant rents are clearly a massive burden for small and medium enterprises and can lead to the demise of businesses in these difficult economic times. The obstinacy of lessors with regard to entering into reviews of these arrangements, which are clearly out of proportion in current circumstances, is mind-boggling, particularly when it is possible to enter into arrangements where there is a reasonable prospect - pursuant to section 3 of the Company Law (Amendment) Act 1990 - that a business will survive. The examinership procedure will now be available at a far lower cost to people within the Circuit Court and it will hopefully help to sustain businesses which have a reasonable prospect of survival. This is an extremely important issue.

I wish to signal my outright and total opposition to the proposal - contemplated or otherwise - to bring forward the tax filing dates for the self-employed from October and mid-November, if they are paid online, to June and September. This proposal has been put forward on foot of the fact that the budget date has also been brought forward to October. However, the necessity of doing this was imposed upon us. Bringing forward the filing dates would be devastating, and it makes no sense, economic or otherwise. Those who run small businesses, shops, garages and post offices and also farmers are all self-employed and they provide much-needed employment in rural areas in particular. What is proposed would deal them a hammer blow and would destroy their plans and projections. Business people have informed me that the implementation of this proposal would lead to a rise in unemployment. It would even have an adverse affect on small accountancy firms, which do not see the logic in it.

Any suggestion that the tax filing date should be brought forward in order to ensure that the Minister will have available to him the best figures in respect of taxation income when he is drafting the budget does not hold water. Given that bimonthly VAT returns are available, the Minister already has access to returns for approximately two thirds of the year when making his budgetary decisions. All he needs do in such circumstances is to estimate a gross figure for the final third based on the figures for the first two thirds. If the amount involved needs to be lower, he can base his calculation on the returns available for the final four months of each of the years from 2010 to 2013, inclusive. A bit of ingenuity is all that will be required in order to ensure that this proposal will be binned for good. Self-employed people have had enough to worry about over the years. I welcome the increase in the VAT cash threshold for small businesses, but this countervailing measure to which I refer would place a huge burden on small businesses and would be detrimental to their operations.

Health is a major issue, particularly as it involves the care of people. Given that the provision of such care is demand-led, from a service perspective, this is not a matter to be measured purely on the basis of making expenditure savings or balancing the books. Adequate numbers of staff - be they nurses, doctors, attendants or anyone else - are required on the front line. We must focus on the fact that people get only one chance to deal with major illnesses and that there are no rehearsals. As a result, instant care and treatment which can be life-saving in nature are required. When a person is symptomatic and when his or her predicament signals the need for urgent action, a hospital manager should never be put in the position of being obliged to contact the accounting department. The proposed cuts to the health budget must be reviewed in that context. Where excessive levels of administration and bureaucracy exist, they should be tackled and savings should be made. However, nothing that is focused on patient care and safe practice can be compromised. Why not do something fundamental such as introducing a

sugar tax in respect of sweets, drinks and other products that contain high levels of sugar? This is an issue that is relevant in the context of addressing the problem of obesity and the spread of diabetes. A sugar tax could raise revenues which could be put to good use in the health service and which could ultimately lead to better lifestyles, longer lives and less illness. This would be a win-win scenario for all involved and it would lessen the impact of any proposed budgetary cuts.

On public procurement contracts, I echo what Deputy Maloney and others stated to the effect that social clauses must be included in capital work projects in order to support the creation of new jobs and increase the level of youth employment. A pilot project is under way in respect of the schools building programme whereby 10% of the aggregate number of persons employed on a site must be recruited from among the ranks of the long-term unemployed. In addition, 2.5% of the aggregate number of persons working on such a site must be apprentices. The issue of apprentices must be tackled. In the past, local authorities, Bord na Móna, the ESB, CIE, etc., provided apprentices with vital work experience opportunities. We must ensure that this becomes the case again. I hope the review of apprenticeships initiated by the Minister for Education and Skills, Deputy Quinn, will have a positive impact in this regard.

Deputy Pat Breen: I welcome the opportunity to contribute to the debate on the Bill. The previous speaker referred to restoring our reputation abroad, which is something we have done in a really good way. As Chairman of the Joint Committee on Foreign Affairs and Trade, I meet many people in the Houses or on trips abroad who refer to the fact that confidence in the country has been restored and who pay tribute to the Taoiseach and Minister for Finance, Deputy Noonan, in that regard.

I acknowledge the work done by the Minister for Finance and the Minister for Public Expenditure and Reform, Deputy Howlin, in the budget. While difficult decisions have had to be taken and while few people have been cushioned from the economic crisis, we are beginning to see tangible results from the measures taken by the Government during the past two years. The economy has stabilised and returned to growth. There will be growth of 0.2% this year and the forecast for next year is for growth of 2%, which some commentators stating that it could be even higher. This will create greater confidence and stability, encourage people to spend more and lead to the creation of much-needed employment. One must commend the work done by the Government, IDA Ireland and the other development agencies in attracting foreign direct investment, FDI. Earlier today I met the new Korean ambassador, who referred to the fact that confidence in Ireland has been restored and spoke about furthering bilateral and trade relationships between our two countries. Retaining our 12.5% rate of corporation tax is critical in terms of sustaining FDI, and people want to invest in this country. We face a major challenge but there are many positives for us, including our English-speaking population, the fact that Ireland provides an access point to 500 million other citizens across the EU and the ease of doing business here.

I would like some of the investment to which I refer to be spread to the regions. At present, 80% of FDI goes to the three big hubs of Cork, Galway and Dublin. I would certainly like the regions to obtain a larger slice of the cake. I commend the new business manager of IDA Ireland, Mr. Conor Agnew, who is focusing on promoting FDI in Clare, Limerick and north Tipperary. I know Mr. Agnew will prioritise investment in these locations and the surrounding region. The most important aspect of the budget for me, as a Deputy from County Clare, was the reduction in the air travel tax to zero and the retention of the 9% VAT rate in the tourism sector. Ryanair has already done some good work in launching eight new routes at Shannon

Airport, a decision that will create between 200 and 300 new jobs and provide a major boost for tourism interests in the region, specifically bed and breakfast providers, car hire companies and hotels. The airport became an independent entity only a year ago and may return a small profit this year, which is a tribute to its employees who have worked hard over the past 12 months. Winning the all-Ireland hurling final also provided a great boost to County Clare.

I note the Minister of State with responsibility for small business, Deputy John Perry, is present. I commend the work he has done in this area. Small businesses are the lifeblood of many communities. While a small business may only provide two or three jobs, these jobs underpin local economies. Next year, the small and medium enterprise sector is expected to create a further 4,500 jobs. As Deputy Penrose pointed out, cashflow is extremely important for small companies.

Many self-employed people have expressed concerns about the impact of bringing forward from September to June the date on which self-assessment tax returns must be filed. This will have an impact on small and medium sized enterprises and should be considered by the Minister. Given that the budget has moved from December to October, it has been suggested that the Department of Finance will require these tax returns to be filed earlier for forecasting purposes in the context of Exchequer returns. Farmers, for example, do not receive single farm payments until October, while businesses in the tourism industry receive most of their income in the summer and are not in a position to file returns in September. I ask the Minister to bear that point in mind.

I would like to have discussed the one parent credit and its availability to non-primary carers but my time has elapsed. This was a good budget. I hope the Minister will accept many of the proposals made in this debate and enact the Bill as quickly as possible.

Deputy Maureen O’Sullivan: Tá mé buíoch go bhfuil seans agam labhairt faoin mBille Airgeadais. Is cinnte go bhfuil rudaí dearfacha sa reachtaíocht seo.

It was clear that Ministers would accentuate the positive aspects of the budget. According to the Minister, members of the public would be astounded by all the good news in it. Businesses and investors were certainly astounded by how well they did and the farming community also benefited from it. Those who have more got more in the budget, while others, namely, sections of the older community, young people and lone and separated parents, were astounded by how badly they did. The budget placed further stress on those who are most in need of protection.

Owing to my particular interest in people with mental and physical disabilities, I noted that, in acknowledging the positive aspects of the budget the Disability Federation of Ireland also pointed out that plans for social inclusion have been weakened. As a member of the Oireachtas group on mental health which made a pre-budget submission, I note the budget contains a commitment to provide an additional €20 million for mental health services. What is the relationship between this funding and a previous allocation of €35 million to mental health services, much of which was not spent? Those with physical and mental health issues are still waiting to see what further cuts will be imposed on them in the health budget. Some of them have already been affected by the loss of the telephone allowance announced in the social protection budget. I refer, in particular, to those who depend on a telephone connection for access to the Internet.

The question one must ask is how the measures in the budget and Finance Bill will contribute to the ability of people with mental and physical disabilities to live their lives independently

and with dignity. It would be amazing if the organisations which are most involved with people with disabilities and those on low incomes, for example, Social Justice Ireland and the Society of St. Vincent de Paul, stated the budget was fair and proportionate. As we all know, budgets do not tend to be proportionate and do not reflect the principle that those most able to absorb cuts should be most affected by them. The many calls for equality proofing of budgets and social impact analysis continue to be ignored.

Debt lies at the heart of all recent budgets and finance Bills. Ireland is paying the highest cost for the banking crisis. While no one denies that we should repay lawful debts, unlawful debt is crippling sections of society that must endure austerity for the benefit of the financial markets. I do not have a background in economics but I know that we have more debt that we can pay or be expected to pay. The Minister, in his Budget Statement, pointed out that “excluding the interest burden, we are paying our own way again.” We can only imagine what could be done if we did not have the burden of paying exorbitant interest rates. The budget deficit may have declined but it remains the highest in the European Union. How can we have real recovery or achieve significant economic growth when we must make interest payments of this magnitude?

One measure that has caused considerable difficulty is the change to the one parent family tax credit. Almost immediately after this measure was announced, One Family, the organisation most involved with single parent families, made its concerns known. It described the change as a retrograde step on the basis that the one parent family tax credit facilitates the collaborative approach of parents who have separated but have agreed to share responsibility for their children. Deputies have received numerous telephone calls and e-mails highlighting the impact of this cut on families which must already cope with the stress of marriage or relationship breakdown.

The change to the one parent family tax credit constitutes the single largest cut in income for separated fathers who wish to take responsibility for their children while not living in the same house. The measure has implications in terms of the Equal Status Act. In light of the many changes in society, we must examine the way in which parents are designated and the move away from having one primary carer towards the principle of shared responsibility where parents are joint carers. It is not fair that the behaviour of some parents who are not willing to support their children and wrongly avail of the tax credit is being used as a reason for discriminating against many fathers. The Minister has indicated he will re-examine the issue. The loss of income arising from this measure could have serious effects on the relationship between children and non-resident parents. The One Family organisation has pointed out that this may be an unintended consequence of the budget.

The cut cannot be justified, especially as everyone knows separation costs money. If the measure is implemented, it will create further problems for people in cases where maintenance cannot be paid. One Family suggests that, to avail of the tax credit, a child and parenting agreement should be in place between parents. This is a written agreement between parents setting out the amount of child maintenance to be paid after separation and an agreed plan on parenting issues. One Family is willing to engage on this proposal for a shared child support credit. I hope the Minister takes up its offer to discuss the proposal, under which the tax credit would be targeted specifically towards families who are in shared parenting arrangements and where child maintenance is being paid.

The Minister’s proposal to replace the current tax credit with a single person child carer tax

credit will be problematic and will result in a financial loss to parents of between €1,600 and €2,500 per annum. If the primary carer is a woman who is not working, she will not receive the new tax credit and it will also be denied to the father on the basis that he is not the primary carer. Everyone loses in such a scenario.

I will make one further point on the impact of the budget on lone parents. Surveys on living conditions show that single parent households are the most deprived of all households and have the least amount of disposable income available to them. In Dublin, for example, there are more than 52,000 lone parent households, with Dublin city having by far the greatest number of such households. I see little in successive budgets or finance Bills that will improve the lives of such families. We are told the economy is growing or that this percentage or that statistic is moving in the right direction. None of this is filtering down or making a positive difference in the lives of a significant number of people. This is where we have a disconnect between theory and reality.

On foreign direct investment, Ireland has much to offer besides its 12.5% corporation tax rate. Significant taxation issues arise in respect of multinational companies which avail of tax loopholes and havens to avoid paying just taxes. The massive profits earned by these companies are not reflected in the amount of corporate tax paid here. As a result, our effective tax rate is much lower than 12.5%. Multinational corporations may be regarded as sacred cows but they should be required to contribute to the economy.

Billions of euro are leaving developing countries. While this outflow has been assisted by corrupt governments in some developing countries, other governments in the developing world do not have sufficient negotiating capacity. I acknowledge the work being done on this issue by Irish Aid and the Government. The Minister stated that Ireland wants to be part of the solution to the global tax challenge, not part of the problem. We were part of the problem. My question is, how much have we lost because the full 12.5% corporate tax was not collected? We need to be far more transparent on corporate tax and ensure full collection. I note there is a levy on the domestic banks, but why are we not looking at a financial transaction tax, which would make a massive difference?

I welcome the Living City initiative. I particularly welcome that Dublin has now been included because there were people in certain parts of Dublin - certainly on the north side - who were concerned that they had not been included originally. I know there were reasons for that because I discussed it with the Minister. My plea is that we remember that the north side of the city has a strong cultural and historic tradition and that this should be recognised in the Living City initiative. There will be people who will be looking for that.

It is disappointing, given that people were encouraged to save and did their best to save - and, presumably, part of the aim of encouraging people to save was that they would not be an additional burden on the State when they got older - that they are now being penalised for that. The Government is clipping away at savings and there will not be an incentive to save.

I spoke previously here about the massive housing crisis, particularly in Dublin. I will be looking to see the practical implications and the difference that the suggestions and the plans in the budget and the Bill will make. At the end of the Minister's budget speech, he stated that Ireland would leave the EU-IMF programme and would handed back her purse. Obviously, that is positive, but that in itself cannot be seen as an end. It must be a process towards something that will be much better. I hope that what is much better will be more equitable budgets.

Deputy Shane Ross: I am grateful for the opportunity to speak on the Bill, which gives us an opportunity to review the Government's strategy, or lack thereof, for the economy.

I note the bullish remarks made in the Minister's opening speech about the prospects for growth and the prospects for the economy. Generally, that is what one expects from a Minister for Finance in a position of this sort. The view he expresses is undoubtedly the view that is expressed by overseas Governments. It is undoubtedly the view expressed by the troika. It is undoubtedly the view that is expressed mainly by the IMF and the EU as well. The Minister is reflecting the plaudits that he and the Taoiseach have been receiving for their steerage of the economy over their period of office. Indeed, no one is more pleased with what has been happening in the economy than the German Chancellor and her satellites in other countries in Europe, because we are doing precisely what they asked us to do. The question is, at what cost, and is the cost worth it? It is my belief that it is at a heavy cost, that it should not have been paid and that it probably is not worth it. Having said that, I acknowledge the fact that there has been in recent weeks a better mood in this country. There is a little more business optimism. Whether or not it is based on reality is another matter. Undoubtedly, people are beginning to ask whether this is true or whether all the stuff that we are getting from the Government about having turned the corner is correct. What I dread is the possibility that they will be bitterly disappointed.

Of course, I note that the Minister for Finance predicates all his budgets on a 2% growth rate. It is dangerous for him to base his budget measures on growth rates handed to him from somewhere else. It is possibly a little more dangerous to take them from the Department of Finance, but figures from Europe yesterday on European prospects for GDP would not indicate that the sort of growth we were anticipating only a couple of weeks ago will necessarily happen. It is an extremely fragile recovery and it is also something that is extraordinarily difficult to predict.

I will make one or two points about taxes. No doubt, as I have stated, there were some good measures in the budget. There are some welcome and courageous measures in the Bill. The uniform welcome that was given to the retention of the 9% VAT rate on hospitality and tourism should tell the Minister something. It is not only as a result of the strong lobby group that has lobbied hard and successfully, but also because somewhere in the Department of Finance the penny has dropped. It takes a great deal to make the penny drop and precipitate a change of mind in the Department of Finance. Somewhere the penny dropped that by reducing taxes one creates a little employment. The penny dropped because this was done last year as a temporary measure - the rate was reduced from 13% to 9% - and the tourist sector and hospitality sector have boomed, or certainly taken off and prospered, as a result. The significant point is that employment has been retained and has perhaps increased - one cannot measure it exactly - as a result of this measure. There is little doubt about that. One cannot tell what would happen if the rate was readjusted to 13%, but what one can say is that the rise in employment and the cut in VAT coincided and are obviously very much related. The Government, in its wisdom, and rightly so, decided that the cut to 9% would remain. Why did the Minister not draw some rather more sensible and far-seeing conclusions from that and state that tax, of itself, as a weapon, is not necessarily good for the economy or good for the people, and that reducing taxes in certain areas is good for employment in those areas? What I would like to have seen was a statement by the Government that because the measure had worked in the areas concerned it was going to try it in other areas such as the retail sector or, maybe, in a gentle way, in the construction area, where they are crying out for help and need help. These are also labour-intensive areas.

If the special VAT rate produces jobs in one area, it will certainly help to produce jobs in another. What seems to have happened here is that there has been a piecemeal decision, partly as a result of strong lobbying, to retain the lower rate, but the Government has not gone the further mile in stating that tax reduction is a weapon that will produce more employment. We rightly make an enormous amount of fuss about defending the 12.5% corporate tax rate, and that was in the Minister's speech as well, because of the extraordinary employment that results from our having a low rate of 12.5%. Undoubtedly, that is the key figure that attracts multinationals. If we can use tax there and we can use tax in the hospitality sector, we can surely use it as well to provide an incentive to small businesses.

Having said that, I do not accept the Government's decision to fund what it believed to be a loss resulting from the retention of the lower VAT rate by increasing the pensions levy. This is a breach of trust of a monumental and inexcusable nature. By hitting the pensions levy and extending it, the Government has broken a promise, but has also hit the sector with cuts in expenditure. Obviously, the Government regards those who have been paying into pensions, particularly the elderly, as fair and defenceless game. Nowhere is that more apparent, as well as in this treacherous measure to increase the pensions levy, than in the increase in DIRT, to which Deputy Maureen O'Sullivan referred. The increase in DIRT also hits those who have been provident, those who have been forced to save for their old age and those who are defenceless. Actually, the rate is not 41%; it is 45% when one includes the PRSI. Savers will really get back a negative amount. Those who have saved money in this difficult period, most of whom are elderly, will be penalised for doing so. The Government may state that this is a means of getting people to spend. I doubt if it will do that. My guess is that savers' instinct will be to circle the wagons even further. It is the lack of vision that is the problem, because the tax incentives have worked elsewhere. The Government got considerable mileage from its levy on the banks. It is a good idea, although it creates a circular movement in that by levying AIB one is levying the taxpayer. It is important that we also use taxation in a way that avoids the banks which brought competition to this market but have recently departed, such as ACC and Danske, seeing Ireland as a hostile place that taxes them out of existence.

I do not agree with Deputy Maureen O'Sullivan on the financial transactions tax for several reasons. It will deter smaller banks from competing with Bank of Ireland and AIB and, therefore, will enforce the cartel. The tax incentives given to the IFSC, and copied by many other Governments, has brought employment for more than 30,000 people in that area of the Dublin docks. That lesson must be learned. Foreign investment is the engine of the economy at present. Small business is still unable to get money from the banks the Government is supposed to be forcing to offer credit. We must show imagination in using tax as a delicate weapon that, where necessary, offers incentives to businesses to create employment.

Deputy Joe McHugh: In the short time available to me I will limit my remarks to two issues. I have received correspondence from the Irish Tax Institute. Members will be aware that there has been extensive consultation on the proposal to bring forward the tax pay-and-file deadline of 31 October. The reaction of the overwhelming majority of chartered tax advisers who contacted me from the north west is that the wheel is not broken and we should not try to fix it. If the date is brought forward it will lead to serious cash flow problems for businesses. The earlier date will not lead to greater certainty or accuracy in tax predictions and it will put at risk the efficiencies that are part of the current infrastructure. I ask the Minister for Finance to consider the proposals emanating from chartered tax advisers and to heed their calls given that they are working at the coalface.

While spending time in Boston and Washington last September, I followed the debate about whether the US recovery is city led. A similar conversation is taking place in England about London and the south east. During the boom from 1997 to 2006, London and the south east was responsible for 37% of the UK's growth in output. Since the crash of 2007, their share has rocketed to 48%. Cautious optimism is now being expressed in Dublin about the economy stabilising and property prices rising. All of us, but especially those in the ranks of the Civil Service and officialdom based in Dublin and the Pale, should be cautious about assuming that stabilisation in Dublin will automatically filter into rural areas. As we have seen from the figures for London and the east coast of America, a city-led recovery does not necessarily mean the regions will see the same magnitude of recovery. I am concerned to know what type of plan will be put in place for the rural regions. We need to work on all aspects, such as incentivising new schemes in local authorities to build new houses.

A woman presented to my constituency office last Monday to seek my assistance. The woman and her partner had both lost their jobs. They built their house as far as a square and paid for it that far but they are unable to progress construction further. There is no point in them going to the banks or the credit union because they do not have jobs that would allow a system of repayment. We need to find ways of helping couples in that position. They are in rental accommodation but they own their own land and have brought their house to a certain stage. We also have ghost estates. We have to reinvent policies on rural housing and urban housing in the regions. This is something of which our officials in Dublin need to be conscious in the context of the recovery we want to see.

In the regions we have a history of fighting against IDA thinking about keeping industry in clusters and near services. Clearly there is a need for this among industries but the country in which I want to live is not an east coast developed country with the regions for shooting and fishing at the weekends. This has been a great country where people could work in rural areas. We have to keep that sharply in focus because the Ireland I want to see in 20 or 50 years time is not the ESRI type island of big roads and rail services along the east coast from Belfast to Dublin and down to the south east. I want to live in the country in which I was reared, where services and jobs were available locally and rural people could have the same lifestyles as those who had the advantages of all services on their doorsteps in the more populated urban regions.

Deputy Michael Creed: The debate on the annual Finance Bill is an opportune time to reflect on the state of the economy and how it has progressed or otherwise over the preceding 12 months. A statistic that should bring some comfort, albeit not sufficient comfort for those who are unemployed, is that 30,000 more people are at work today than on the same day last year. The scale of the task this Government faces is put into context by the fact that between 2008 and 2010 more than 200,000 people lost their jobs. We are slowly making progress. Some of the debates in this Chamber on this and other matters are too sterile and predictable. We need to acknowledge what has been achieved and face up to the scale of the problem. In regard to the predictable claptrap about the sixth or seventh austerity budget, the budgets are austere because it is difficult to return to a situation where we are cutting our cloth according to our measure. The Government has made some progress in satisfying the markets, which is necessary before it begins to filter down. One of the other significant issues, apart from the number of people back at work compared to last year, is that the markets are showing some confidence in us now. If we had been able to go to the markets when the Government came into office, the cost of borrowing would have been approximately 15%; it is now approximately 5% or less. That is significant progress and, although it does not mean a lot to people out there still searching for jobs, it is a

necessary staging post on the road to recovery. The Government is travelling, although perhaps not fast enough, along the road to recovery to meet the needs of many thousands who are still unemployed. It is making progress.

I caution the Government against raising the bar of expectation on the basis of leaving the bailout in December of this year. That does not mean a lot to the individual who finds himself unemployed because we will still not have an enormous amount of money.

Deputy Colm Keaveney: Hear, hear.

Deputy Michael Creed: As we see the troika members booking their flights leaving Ireland, which is welcome, and we regain our economic sovereignty, we will continue to be in a delicate position for many years to come as we struggle to generate wealth and distribute wealth in a fair and equitable way. I agree with Deputy McHugh. The opportunity is now to plan for a balanced, regionally sustainable recovery. That is not always evident. The overwhelming objective of Government is to get the economy right along broad principles but it cannot lose sight of the objective of having it regionally sustainable.

I welcome the provision in the budget to introduce a new suckler cow welfare scheme or something of a similar nature. I would like the Minister for Agriculture, Food and the Marine to consider a commission of inquiry into the beef industry. It is profitable for factories, retailers and everyone in the industry except the farmer. It is a multibillion euro industry earning us enormous sums of money in exports, with over 100,000 people involved at farm gate level. However, very few of them make a living and most suckler cow farmers die in debt. We must look at a way to ensure the farmers who are the foundation of the industry can make a reasonable living. I welcome the Minister's initiative but a more fundamental appraisal of the industry is necessary.

The Minister for Finance is not known for his timidity but the Government measures on alcohol are timid in the extreme. We have a serious societal problem with alcohol abuse. The stock response is to raise excise duties but we fail to grasp the real problem, which is the imbalance between consumption on licensed premises and through off-licences. That is the real societal problem and we wake up on Saturday, Sunday and Monday mornings hearing on the radio about someone being stabbed in a domestic setting because of excess alcohol, perhaps fuelled also by drugs. We must ensure that we encourage alcohol consumption on licensed premises rather than through off-licences. In the former, there is peer group interaction, supervision and intergenerational solidarity. There is a real weakness. I have heard reference to the idea that minimum pricing is not possible because of some issue in Scotland and a review of Scottish legislation. We are a sovereign nation and the only law that has been interpreted in respect of this area upholds the right of states to introduce a minimum price for alcohol.

Deputy Peter Mathews: Hear, hear.

Deputy Michael Creed: The Minister needs to do so.

The single parent tax credit is the issue on which I have received most representations. We must acknowledge that while some parents may wish to abscond from their parental duties, the majority of people take their parenting responsibilities exceptionally seriously even if their marital circumstances have broken down.

Deputy Colm Keaveney: Hear, hear.

Deputy Michael Creed: It is unfortunate that the Government falls into the response of assuming that most men walk away from parental duties; they do not. The Minister has sent a signal that he will deal with this in some way by apportioning the tax credit to one party or the other where either party may not have a taxable income. Where there is a court agreed apportionment of custody in light of financial circumstances, the credit should also be apportioned on that basis. If there is a 50-50 agreement on parenting, the credit should be apportioned 50-50. It is a significant asset, amounting to approximately €1,600 a year. Hitting someone unilaterally overnight by taking it away is a financial blow that many cannot survive. I welcome the signal sent by the Minister for Finance of some movement but more needs to be done to achieve equity.

Deputy Bernard J. Durkan: I agree with the last two speakers in this regard. The position of this country is much better than it was two and a half years ago, whether we like it or not.

Deputy Colm Keaveney: Does Deputy Durkan feel it?

Deputy Bernard J. Durkan: The feeling is not as important as comparing what the feeling would have been if we had continued in the direction we were heading in when this Government took over. In response to prompting from the Opposition benches, which are normally occupied, the Tánaiste noted that the country was broke. That is the underlying factor.

Deputy Michael Creed: We have some Opposition Members in the Chamber.

Deputy Bernard J. Durkan: We are delighted to have our own Opposition Members.

Deputy Colm Keaveney: The real Opposition. The “others”.

Deputy Peter Mathews: The internal Opposition.

Deputy Bernard J. Durkan: With one or two notable exceptions, the theme running through the speeches from the Opposition benches over the past two and a half years is that they want more money spent every day, in every way, on every subject matter and every service. That means more money borrowed. No one has ever asked where we will get the money but when these Opposition Members are pressed they will say that we get it from the banks. Having burned bondholders on funeral pyres over the past two and half years, saying they do not want to pay and that they want debt written down, they want at the same time to spend more money. I would love someone to tell me how this is supposed to work. We have had much economic advice over the past number of years and I would love some economist to tell me how it is expected to spend more money-----

Deputy Peter Mathews: The answer is in these books.

Deputy Bernard J. Durkan: I have read all these books and I treated them with the same contempt that I treated them with when I read them first. I am not an economist and I apologise to the economists but I have read economics-----

Deputy Michael Creed: The dismal science.

Deputy Bernard J. Durkan: -----and it is a most elastic science that is applicable in retrospect more than at the time it should be applied.

There is no doubt about the difficulty the Irish people and the Government faced and there

are no easy answers. The answers undertaken by the Government have not been easy. We must compliment the people of the country for their indulgence, forbearance and sacrifice. Without exception, every person in the country was scared two and a half, three and four years ago because they did not know if they would survive. That was understandable. I did not think we would survive and I did not think our society would survive. I thought we would have broken down, in the same way as happened in other jurisdictions, and that we would run away from our responsibilities. I compliment the people of this country on the stoicism with which they have addressed the issues. That is recognised by people on the offside of the Opposition benches. I cannot understand why the people who normally sit on the main Opposition benches, some of whom are in parties and some of whom are in other Opposition groupings, do not accept that we cannot spend money we do not have. We must still borrow the money we spend for day-to-day running expenses of the country.

Austerity is a term regularly used on the Opposition benches. In this context, it means running our affairs within our means and paying for ourselves as we go along. If we do not accept that and decide to go for broke and do what we have been told by Members on the Opposition benches, disaster will naturally follow.

I have heard Keynes being quoted as if he was an old buddy who had suddenly sprung from the undergrowth and had been unrecognised for a number of years. I have read Keynes, as has everyone else in the House. With apologies to economists, Keynes did not get it right all the time and he took a long time to get it right. When easy options are put forward by people in opposition, inevitably the public decide they must be right. After all, the newspapers and television programmes report that people do not trust politicians, so what the Government says must be wrong. There is a confusion between the Executive and politicians, and this has been the case for a number of years. The policies that were pursued for quite a long number of years were wrong and not at all the kind of policies that were required. Everything was about spending and spending with no regard to the future. Those were the good and easy times and the public approved, unfortunately and to their own detriment. We should have learned that lesson. We should be very careful when listening to the prophets of doom and the prophets of promise and the people who claim that there are easier ways. Easy options are not there. Those who claim there are easy options should step out and let us know how it can be done.

We are leaving the bailout programme and we will be swimming on our own. Every economic indicator will be reflected in the markets, as will every failure to reach our targets, and we will pay the price one way or the other. Interest rates will rise and we will pay more for what we have to borrow.

Deputy Shane Ross expressed it eloquently when he said that the crucial factor was the degree to which we can experience and encourage economic growth, and I agree. Can we experience and exceed the 2.5% growth that is necessary? I have always believed, over the past five to six years, that the targets set by many economists at the time were wrong. I was wrong as well in believing that we would have been way below what we are at now. I was not basing that view on fantasy because I had reasons for believing it.

The more we tax, the less incentive there is to generate economic growth, which in turn will address the economic issues. If economic growth can be encouraged, we will be on the right path. The time has come for the Government to launch an economic recovery bond. This could be used for the generation of economic activity. As Deputy Ross mentioned, it could be used to generate activity in the construction sector, with particular reference to the provision of local

authority houses, because no one else will be providing them. More than 100,000 people are on local authority housing waiting lists. The Department of Social Protection pays €400 million a year in rent support or in lieu thereof. This has been going on for years, even during the boom times, and nobody has addressed the problem. It is a total economic contradiction to allow this to continue indefinitely. The Opposition - the absent Opposition - said that the Government had failed. The Government has not failed; it has not had time to succeed just yet. However, Members on the benches opposite expect an overnight miracle on an issue that they spent ten years burying and driving into the ground. They now want the current Government to perform an economic miracle and to produce something overnight. The Government has responded by introducing for the first time in years the direct building of local authority housing. This policy will be successful. It will eliminate the number of people dependent on local authority housing and they will be able to enter the workforce because they will not have the fear or threat of losing any benefits. It will release a considerable amount of money from the Department of Social Protection by way of foregone rent support.

If 10,000 houses were to be built in the next two years, at least 10,000 people would be employed as a result. Unlike many proposals from the absent Opposition, this would generate economic activity in a way that will not be supporting inflationary tendencies, as happened in the 1970s. At that time, economists advised putting more money in people's pockets and into the commercial sector in order to put money into circulation. That was the wrong policy. Within 18 months the Taoiseach of the day resigned and the economy went down the river. We are still paying that back and nothing has changed.

In response to questions from the members of the Opposition, the Tánaiste asked if they did not know the country was broke. I would correct that by saying that the country was broke when we found it but it is being repaired.

Deputy Colm Keaveney: I have a tough act to follow. Of course it is not easy to take money from children. Of course it is not easy to take money from child benefit. It is very difficult to take money from elderly people. It is very difficult when elderly people have to have their phones cut off. It is not easy to take money from those people who cannot protect themselves. Those dangerous young people put up a resistance.

It was a socially divisive budget setting young against old, rural against urban, the able against the disabled, those with jobs against the jobless, public against private. The budget was socially divisive by attacking what keeps people together. People are fighting each other because of the policies designed by the Government. People will not come together to offer an opposition because everyone is worried and at their wits' end. I agree with Deputy Durkan that it is not easy to take money from people who cannot defend themselves. It is very difficult for people such as that to stand up against city hall.

The Minister of State, Deputy Perry, knows I have great personal regard for him. However, once again the Government is seeking to pull a three-card trick on the people. We hear a lot of talk about fairness and about spreading the burden across society fairly. I have noticed that this language is well overlaid with a practised faux empathy. I have just listened to a dose of it. When one looks behind the curtain or up the sleeve of the Minister attempting to pull the three-card trick, one finds that the truth bears no relation to the bluff being pulled on the people. The Government - unfortunately, the Labour Party in particular - sought to excuse a savagely regressive budget last year by introducing what it described as a catalogue of taxation on the rich, a range of wealth taxes. The Government admitted then that it would take a greater portion

of income from low-income families but that it would catch the wealthy with wealth taxes. Half of the promised €500 million in wealth taxes introduced in last year's budget were to be raised from a limit of €60,000 on tax relief on pensions. The Government, willingly or unwittingly, has failed to implement these measures. The wealthy have not paid their taxes. The half a billion euro scheduled in wealth taxes has not been collected. Instead, this Finance Bill is making an arrangement to protect many of the gold-plated pensions, including those of many former Ministers. Senior civil servants will be protected.

3 o'clock

Senior politicians are protected and as a relatively well-paid public servant, I am no worse off as a result of this budget, which I am ashamed to say.

Coincidentally, this Bill will protect the pensions of the people who designed the legislation. The Government has wilfully demonstrated an inability to enforce last year's initiative to collect a wealth tax in the country, which has resulted in a shortfall of €130 million. The wealthy can avoid that tax but ordinary people cannot avoid the hand of the Government; it is not easy taking money from people who cannot defend themselves. Coincidentally, the €130 million is equal to the value of the levy on top of the other levy; the wealthy are not paying their taxes but the worker is levied in order to pay for the shortfall in the wealth tax introduced last year. It seems very easy to do this. Needless to say, these effects will be apparent in the economy. There are people struggling on modest pensions but some others are getting off the hook.

In the recent property boom, many in this House expressed the opinion that a mature rental sector drove that expansion. That is the kind of rental sector that would be common across Europe. A key problem is that the sector was and is dominated by a very short-term approach, both in terms of gains sought by an investor and the structures provided for in rental agreements. Regulation of the sector has been poor, to say the least, and rather than seeking a more mature approach to a rental scheme in the country for families who wish to rent as a long-term option, the Government has failed to make any progress in improving regulation of the sector. For renting to become a viable long-term option, it must be encouraged, and landlords must be responsible in approaching a relationship with a tenant with a long-term strategy.

The Government has imposed PRSI on rental revenue without regard to the costs incurred by the property owner who is renting the property. That will drive away investors in the rental sector and lead to ordinary people being denied the opportunity to provide for a proper home for themselves and their families. The drive towards ownership as the only method by which a family may have a home has also been reinforced by savage cuts in social housing funding, as noted this morning in the House. The investment in the capital programme for social housing is €15 million but we failed to capture €130 million from the wealthy in this country. There are over 100,000 families on the social housing waiting list, and the €15 million to be invested in their future is a tenth of what we failed to capture from the wealth tax last year.

PRSI is also charged on income derived from interest on savings, and it is added on top of the DIRT rate of 41%. This is one of the ten savage cuts that have been implemented against elderly people, who depend on savings to secure some income in order to get through their final years. This Bill will also ensure that health insurance costs will rise for more than 500,000 policyholders. Coupled with the Government's policy of reducing the number of discretionary medical cards, this will drive even more people into the no-man's land of health care, meaning that ultimately there will be a worsening of the health outcome for individuals in society.

These measures are an attack on the prudent and those who have planned for themselves, and it is in stark contrast to the rhetoric which emanated from both Government parties prior to the last general election. Some members of the Minister of State's party are fond of stressing the need for responsibility, and I agree with such sentiments. I am in favour of using tax and welfare codes to encourage separated parents to continue to play a full and wholesome part in the lives of children. Most of them do so with credit. The welfare of children has been a key line of rhetoric from the Government, and the children's referendum afforded them a great opportunity to beat chests on the theme of children's welfare. Again, this seems to have been only for show and diversion, as in this Bill there is a direct attack on the ability of separated parents to play a full part in children's lives.

The Government does not want to rock the boat. Irrespective of personal relations in Europe and the ambitions of some in the Government in Europe, we should admit that a disaster is hanging out there for this country, and we need to make progress in a key area, which is the issue of the bank bailout. I call on the Minister to pursue aggressively the game changer we were led to believe was imminent. It is time to deliver for the people of this country, who have suffered greatly after five, six and seven austerity budgets. It is time for people to have hope so that a dark cloud can be replaced with a silver lining for the people of this country. They are entitled to have hope for tomorrow.

Deputy Peter Mathews: When I left UCD in 1972, my mind was comfortable with the belief in the capitalist market system as a way that would motivate the best production of goods and services in an efficient way, with government policy and establishment behaviour ensuring a fair distribution of the rewards of that production. In the past five years, or even the five years previous to that, suspicions arose in me that all was not well and the inequality across the neo-liberal capitalist markets meant the system was not working fairly or well. This came with the arrival of new technologies based on computerisation and information technology. Events and facts have demonstrated this to be the case. That is measurable by people who have devoted their life of work to studying this process and comparing it across the globe, recording events and being honest about what is happening.

I am commending this book, *The Price of Inequality* by Joseph Stiglitz, to everybody in this House and the Seanad, the Judiciary, senior civil servants and those working in the professions of accountancy and law. The book has just come out in paperback. Stiglitz has visited this country many times, including just after the crisis struck. He pointed out a crisis in the balance sheets of the Government, banks and houses and businesses. This is an honest and well-researched book, and if people do not read it, they are doing the people of Ireland a great disservice.

I thank the Minister for coming to the Chamber at this point in the debate. The Minister is a member of the Economic Management Council, EMC. He introduced a budget recently and we are now discussing the Finance (No. 2) Bill. I was really put out and I thought it was insulting of a fellow Minister in the dominant country in the eurozone to say what he did when the Minister was presenting his budget. On the RTE website there was a headline, "German Minister Rules out ESM Aid for Irish Banks". The article reported the German Minister as saying: "Ireland did what Ireland had to do. And now everything is fine." He just does not get it because as Deputy Keaveney pointed out, there is a clear divisiveness in society. There is a clear inequality and it is measurable. There has been a big vacuum, a hole and a hiatus. There has not been a contribution to the society in which we live, the community in which we live, work, play and in which our young work and grow old, by the corporate sector which is here on

a short-term residency. That is wrong.

On one of the earlier pages of his Budget Statement he said that Ireland's debt is forecast to reach 124%. That is wrong. Ireland's Government debt is forecast to reach 124% of GDP. We know that because of the structural nature of the economy, the engineering of goods and services production and who owns and controls them that GDP and GNP – our national income – are quite wide apart and not good proxies for each other. Government debt to national income is more in the order of 140%. One could add household debt and the non-financial corporate debt or the SME debt together with their contracting incomes. In September 2011 Stephen G. Cecchetti, M. S. Mohanty and Fabrizio Zampolli published *The Real Effects of Debt*. One could ask where Ireland would have stood if it had been included in that paper. Two years and two months have gone by and we have not even suggested a figure for debt write-down for the economy. It is an awful shame. What are we afraid of?

An article on *bloomberg.com* asked “Will Germans Pick up the Tab for Deutsche Bank, too?” The Taoiseach told us the other day on Leaders' Question that the EMC met 11 times in recent months. That is good, but what were the members discussing? If it is a case of twiddling the knobs on the radio it will not help us. Was it about the subject matter in *The Price of Inequality*, taxes or the big picture issues of who should pay what taxes? As Deputy Keaveney said, it is easy to take back from children and elderly people. It is not easy to say anything to people at the higher end of the scale where the concentration of wealth is found at an increasing rate. Those with scooped out middle incomes and those on lower incomes are under pressure. That is where we should be courageous and put the spotlight and explain to those who are well to do and earning large amounts of money that they should think about its distribution. When one tries to equalise an unequal economy or society it increases wealth. That is proven too. The book is full of proven research.

One could ask whether we want a society that is composed of the haves, the have-nots and the gone-aways – including one of my adult children. No, we do not. Does the Minister remember the figures I suggested at a parliamentary party meeting? A temporary 4% levy for three years on the income of people earning €120,000 and more than that would have produced more than €700 million. A profit levy on corporations of 2.5% would bring in a similar amount. The CEOs and CFOs of corporations would not go away. They are not going to relocate senior management and their families to countries where there might be tropical climates that are not suitable for raising a family that comes from a different climate. I refer to places that have Dengue fever, cholera, smallpox, poor water supplies and unstable situations. To them, climatically, Ireland is heaven on earth but they will not tell the Minister that. They have told me they would not blink if they had to pay a 2.5% levy for a few years on their corporate profits. According to the Department of Finance corporations have made €70 billion and they paid €4 billion in tax, which is 6.5%. People make the argument that there is a difference between reported profits and taxable profits. If a company is reporting profits of a certain amount then they are the profits the company made. Why should they not pay even 10% tax on them? Such companies are happy to tell their shareholders around the world that such an amount is their reported profits.

It is an awful pity that the EMC does not consider the big, strategic problems. I accept there are some little things that are good about the budget and there are things that are very bad but we do not want illusions or language that misleads us and gives us false understandings and hopes. We do not want short-termism in the budget. People should hear that there will be a steady long-term redistribution to make society more equal. That is what Declan Costello advocated long ago. The just society is the type of approach I thought I would get when I joined Fine Gael.

An Ceann Comhairle: Deputy Mathews is over time now.

Deputy Peter Mathews: There is so much to say and so little time to say it. The way we do our choreography is not helpful.

An Ceann Comhairle: Thank you.

Deputy John McGuinness: My overall view on the budget and what we read in the Finance (No. 2) Bill is that the budget has driven a huge wedge between Government and the citizen. It has built on past Government decisions and creates a divisiveness between the administrators of the country and the citizen. There is a deep inequality to which previous speakers have referred that is growing beyond any doubt and that makes people uneasy. That is reflected in their view of politics and politicians. One thing is said at election time and once it is over the commitments are quickly forgotten. In this case there has been very little reform or consideration of democracy or the people we represent. That is reflected in the Minister's actions in government. It is also reflected by Deputy Mathews on the outside of the tent he once was inside. The Government's intolerance of a different opinion has brought about the situation and a complete misunderstanding of the real problems that face people.

On one side of the budget balance sheet one has the supports the Government gives to those who are marginalised or sick and supports for education, business and local government. In that category the Minister has dealt a direct blow to the income of those who are less well off. They are less well off because of the budget and they are left confused as well because the spin from the Government is that the headline rates were not touched and people are still on the same amount of money or benefit of one kind or another. The reality, however, is that the costs of living, paying for services and doing business have escalated. Therefore, there is far less disposable income in the economy. The Minister introduced the full property tax this year and there was consternation over its collection. With that tax, there will be a further erosion of disposable income. There will be considerable pressure on people in dealing with events in their lives, such as Christmas and the new year, while at the same time trying to keep on the right side of the law in respect of the payment of taxes. I am sure those affected will look on in absolute astonishment and disbelief regarding the fact that those who are better off actually do better. Reference was made to senior civil servants and the huge pensions of which they were and are in receipt. Nothing has been done in real terms to correct that. There is no comparison between the life of a pensioner on a State pension and those who collect their pensions from previous employment in the State. We have a duty of care to the less well-off. In this budget, that duty was absolutely ignored.

The other part of the balance sheet that is interesting is the screws turned on those who create the wealth and pay their taxes, including PAYE. They have been screwed also. Their ability to create wealth, pay taxes and share with the less well-off has been affected. The Government has not done anything to help these people. It promised to do things. In this regard, members of the Labour Party camped in a shop on Grafton Street, and the now Minister for Justice and Equality, Deputy Shatter, a former spokesman on justice, said that upward-only rent reviews would be dealt with. He said there would be no problem doing so on taking office. There is considerable correspondence in this regard on commitments given by Members of this House. However, the Government has run a mile from this issue and has not bothered to touch it. As a consequence, the shop used during the election campaign is now closed. In fact, the Government, which is a landlord and involved in upward-only rent reviews, was the reason businesses in other parts of the country went out of business, because it refused to renegotiate or even

discuss the upward-only rent review clause. There is much correspondence to prove the point. The Government has let the people down and has not delivered. It did not fulfil and is not fulfilling the mandate given to it.

Another source of disbelief, which is evident every Thursday at meetings of the Committee of Public Accounts and which was evident to the Minister for Finance when he was chairman of that committee, is the scandalous waste that continues within the public sector. It must be seen to be believed. Every single Thursday, there is some systems failure flagged or some report on the loss of a huge sum of money, yet the suggestions made by the committee to plug the holes to try to prevent a recurrence are ignored. Furthermore, Ministers have refused to take them on board. Some of the suggestions made by Secretaries General of various Departments to the Minister for Finance were ignored. I refer to sensible suggestions such as the appointment of a qualified finance person. Yet we can give jobs to ten tip staff in the courts, while we cannot sanction a post in the medical profession. This was the case recently. The Government is creating inequality and divisiveness in society.

The Government has refused point-blank to assist the Committee of Public Accounts in examining local government. Only last week or thereabouts, the Secretary General of the Department of Public Expenditure and Reform said it was a good idea for the Committee of Public Accounts to examine local government. Who discovered all the shortcomings in local government and the millions of euro that were wasted? It was the Comptroller and Auditor General in his report to the Committee of Public Accounts. When did the Minister last see or hear a debate conducted by the auditors of local government on the expenditure of local government? I have not heard one. The Minister still runs with the vested interests within the State to ensure there is no such debate. Where is his promised reform package and why has he not implemented any real reform in the administration of the State since he came into power? It does not exist and the Minister has no intention of introducing it. He should tell the public that.

By proceeding as the Government has done, it is forcing those who are making money and paying their taxes to pay into a system that is leaking heavily on the other side through waste and inefficiencies. The Minister simply ignores this, which is absolutely appalling.

The SME sector, which creates the wealth and jobs, is being penalised at every turn. I understand the 9% VAT rate has helped but the Government has failed to deal with the cost of drink in a meaningful way. The Minister's contribution to the small builders' sector was to introduce a scheme that would assist only the better-off. Those who need extensions will not get them as they do not have the money to spend in the first instance. The Minister has not given the money for the construction programme that local councils might encourage through the grant system for those who need a house to be refurbished because of age or disability. The Minister has reneged on that as well.

What has the Minister done with the banks? He flagged the fee he is to charge them. He said it is new and that he is going after the big banks. So much for his spin, because he gave the banks the mechanism to adjust their taxes because of their losses. They will have the money well back from the State by the time they get to cooking the books for tax consideration and so on. This is similar to what Deputy Mathews was saying. The citizen must pay up because of the problems that exist and the Government tells him that the money can be taken from his pocket, while those who are better off, including corporations and large businesses, have been let off, by and large. It was not decided that for three years, for example, they would have to pay a little more tax, which could possibly be considered as an aspect of corporate social responsi-

bility. The Minister did not even investigate this option. There is nothing new, only the same old story from the civil servants to the Minister. There is nothing imaginative in the budget and nothing that would show the citizen that there is real change in politics and a real belief that we can balance the books in a more equitable way without depriving people of the income they once had through their benefits, etc.

Consider the trouble the State is in with regard to pensions. Every single week we check the pension circumstances of a certain agency or Department and find there is a massive deficit. What will the Government do about that? Not a single word has been said about it. The Government promised gold-plated health cover. What a spin he put on it. They will not be able to continue to pay their private health insurance premiums. They are walking away from private health insurance because they cannot afford it. They are going to put themselves into the public system, a system with trolleys in corridors, queues for hip replacements, knee replacements, cataract operations and so forth. If one attends any accident and emergency department or any hospital, one will see queues everywhere, yet what the Minister has decided to do is to drive more people further in that direction. He has decided not to assist them but to make them join public waiting lists. Life is short and people deserve a good quality of life. They deserve a Government that cares for them and ensures they receive the quality of care they deserve, require and must have.

In an underhanded way, the Government stated there would be a random check on medical cards. That was another spin. I have never seen so many elderly people in my clinics, unable to complete their forms in this random examination of their medical cards and circumstances. They are frightened in their own homes. They turn off the electricity early; they do not use their oil and they are forced to ask the supplementary welfare officer for support for once-off expenses. They are fearful in their homes and the Government has done nothing to remove their fear. It has done nothing to give comfort to elderly people who have contributed to the State. That does not just go for my constituency but for every constituency in the country. The Minister's own backbenchers will tell him that this is the situation, but the Government ignores it. It has made no decision that will help them. It is disgraceful that elderly people should, at this time in their lives, have to complete these forms and suffer delays in being considered for a medical card. In some cases, when elderly citizens went to their local chemist to collect their medication, they were told that their medical cards had been withdrawn. Nothing is being done about this. Does the Government think that is okay?

There has been much talk about the retail sector and the banks. The retail sector is on its knees, but the Minister does not seem to understand this. There is nothing in the Finance Bill that will assist retailers. Those companies involved with Enterprise Ireland receive assistance, as do those connected with the local enterprise boards, but the retail sector is struggling because of the lack of disposable income. Furthermore, the fears people have about the economy and their future means that they are not spending whatever money they do have. The Minister has done nothing to encourage them to spend or build up their confidence. Nothing in what he has done has shown them that he is interested in them.

There are 100,000 people on social housing waiting lists, while 3,500 social housing units are boarded up. What about the loss of income to the State? Why are these homes not being rented out? Why are the local authorities not collecting rent on one side and meeting a social need on the other? The Government seems to be incapable of pressing the money down through the system and getting a response. It also seems to be willing to see those who are marginalised screwed even more, their quality of life diminished and their ability to deal with their financial

affairs, health and other areas also diminished. They are simply cast to one side without any consideration. That is reflected in the decision on the tax credit for separated parents. There is still time to row back on this decision, to change it and give people the opportunity to re-structure their finances within their own homes and come to certain arrangements, if they are separated. The Minister considered none of this. He just made the cut and walked away from it, deciding to let the people bear the brunt of it. That is unforgivable of any Government.

If anyone wants a clear indication of what the Government thinks of the people, he or she need only look at the extensive powers given to the Revenue Commissioners to collect money. I never thought I would see the day when a Government would give permission to the Revenue Commissioners to dip their hands into people's pockets and take their money. They can now tap into the payments of social welfare recipients. The Government has succeeded in putting the fear of God into people regarding the Revenue Commissioners and the collection of debt. I know we need money, but if the Government was to address the issue of waste in the State with the same degree of commitment with which it has pursued the citizen who has nothing, it would be doing a far better job. It would have less taxes to collect and might have happier citizens who would see the country being run properly, with taxes being collected and spent properly. It would also see the less well-off and the marginalised being better looked after. However, the Minister is moving in the opposite direction, which is frightening, particularly when one considers that members of the Labour Party sit beside him. I thought that they might have put some balance into his views, but that has not been the case.

I ask the Minister to examine the amendments tabled and carefully consider what was said by those who have put some thought into their contributions to the Second Stage debate. Nobody in this House has all of the answers, but the Minister might get a little answer from here and there and might turn the policies in a direction that would suit an awful lot more of those who are less well off. I ask him to consider whether the Revenue Commissioners could be a little more compassionate in how they view things. We have created a system, regardless of whether we like it, that during the years has washed out any compassion or humanity in how we govern the country. That is not acceptable. People expected that there would be a turn-about in terms of that aspect of governance because of the promises made about reform during the last general election campaign. I hope this Bill will focus the Minister's attention on the various problems Deputies in their constituencies are seeing at first hand. I am sure the Minister is seeing them in his constituency. I would love to see that reform reflected in each and every Bill brought before this House, particularly those that affect the quality of life of the people we represent.

Deputy Seán Crowe: My biggest difficulty with the Finance Bill and the budget is the lack of vision. The budget was supposed to be about rebuilding our reputation and saving us from economic ruin and so forth, but the question remains, at what cost? The Government claims that it wants to rebuild a successful economy, but for whom and at what price? The budget represents a missed opportunity. I noted some media comments to the effect that there had been a muted response from the public to the budget and that it had not really negatively affected the Government. However, much of the pain people will suffer will only hit them in January, although some of it is already on the horizon in the context of the local property tax.

I agree with previous speakers who argued that the people the budget would hurt the most were the most vulnerable in society. Some of the vulnerable people to whom I am referring are in employment and trying to maintain their jobs. They are coming to Sinn Féin advice centres and talking to us on the streets about the difficulties they are facing. I am not exaggerating

when I say I have never met so many men and women who have cried in my company because of the difficulties they are facing in their lives. If one talks to other public representatives, one will hear of a desperation out there among people who feel they have been let down. They are also desperate because after working every hour that God made, at the end of the week they look at their pay packet but still cannot pay their bills. One hears about genuine hardship on television and radio programmes. People are now frightened of the arrival of the postman because they do not know what will come in the next bill or how they will pay it. People are desperate with the thought of Christmas coming down the track and how they can fork out for their children's presents or have a happy Christmas. I have heard the stories - it is not just the Joe Duffy show that people are phoning up - about people going to bed early at night time to save money on fuel. It is an awful indictment of society that there is nothing to look forward to for those getting on in their years.

Yesterday, during statements on the recent European Council meeting, Members referred to the positive attitude across Europe with unemployment dropping and so forth. What about the thousands leaving this country every week? Unemployment is down due to people heading abroad because they have no hope or belief that the economy has turned the corner. In my constituency, there is no real evidence of the green shoots of recovery to which every Government Member refers. I am also at a loss as to where all these talked about jobs are being created. It is not happening in many areas.

The big growth area that people talk about in my constituency relates to the number of people involved in illegal drugs. Parts of my constituency are a bit like "The Wire" as are probably parts of the Minister's. It has been noted there are more people with expensive lifestyles, driving around in big cars, buying up shops and so on all because of illegal drugs. At the same time, ordinary decent people are caught in this trap of no hope that society has created for them.

The Government tells us we need this type of finance Bill which basically implements the austerity-laden budget 2014, as we have no alternatives. Government speakers claim its hands are tied and it is all Fianna Fáil's fault. While Fianna Fáil must share the blame for the destruction of our economy and for bankrupting this State, the Government still has choices. It could have lifted the tax burden off families, protected jobs and protected our public services. This would have helped narrow the deficit without inflicting more damage on our economy and our people.

Sinn Féin detailed in its fully costed pre-budget submission how some of the hardest cuts could have been reversed and the deficit reduced through fair taxes, job stimulus measures and a range of savings. Civil society and community organisations also sent in their budget submissions and highlighted again the many alternatives the Government could have taken. However, we know to our cost, it refused to consider any alternatives. Instead, the Government continues to follow its anti-growth, anti-worker and anti-family policies. It continues to implement its own extreme brand of economics of attacking the workers while supporting the lifestyles of former politicians, as well as those of the wealthy speculators and individuals who caused the crash. People often ask me why these individuals are rewarded while they are left with an unfair burden.

One of the cruellest parts of the budget was the cutting of the single parent tax credit and its replacement by a credit available only to one carer. According to the last census, there are 217,000 children of separated parents living in this State and this tax cut has elicited a significant amount of anger and opposition from citizens. My full-time office in Tallaght has been flooded

with desperate messages from hard-pressed and struggling single parents who are working as hard as they can to provide for their children. They now have real and genuine concerns that they will no longer be able to do so when this cut rips the financial heart out of the family.

In terms of the financial effects of the proposed change, the measure is wholly disproportionate and wrong. The credit itself amounts to €1,650 per annum. When one adds the additional impact caused by its removal in the tax bands, the proposal amounts to the biggest single income cut on any one section of society in recent years. Research from Trinity College Dublin indicates that in 97% of separation cases in the State, the courts deem the child's mother to be the primary carer, even in cases of 50:50 access. Accordingly, single fathers are the primary group in society who will have their pay slashed and will see an increase in their income tax, a measure this Government claimed would not happen to anyone. The measure also goes against the trend we have been trying to encourage of getting fathers in single-parent families to become more involved in them. The implications of the cut has the real potential to lead to a reduction in the level of maintenance payments, as well as a reduction in the quality and quantity of time that children will be able to spend with both their parents. It is completely illogical and wrong.

Who does this tax cut benefit? This measure will not only have financial ramifications but also a considerable social impact. It will only contribute to further undermining the social standing of separated parents in our society. This move sends out a message to separated fathers in particular that their care-giving is not equally respected by the State. This an unacceptable message for the Government to send out and can be viewed as favouring one parent over another. An affected parent told me in a message:

It is already offensive enough for loving and caring parents to be deemed a 'secondary' carer. To have formal fiscal recognition of this role removed in entirety is akin to the Department of Finance declaring that only one parent matters in cases of separation. This is both degrading and unfair.

This is a regressive move which ultimately will affect the children of separated parents most. It is out of tune with the needs of modern Ireland. It is an unfair cut and elected representatives should be joining Sinn Féin in opposing it.

The property tax, or family home tax, is another of the most painful and unfair austerity measures this Government has introduced. Families across the country are wondering how they will be able to afford it. Only this week, we saw how poorly planned the tax was. The property tax is a crude revenue-raising exercise, tarted up as something else. We know that not one cent of the €250 million raised through it already has gone back into local authority areas, again another broken promise. The property tax is also being used to facilitate the establishment of another new water tax affecting already hard-pressed families and individuals. There has also been widespread confusion and concern about letters sent to households about paying next year's property tax. The system make no sense as some compliant taxpayers are being asked to fork out a year and a half's payment long before it is due to be paid. The system also penalises anyone who is not computer-literate, those who do not have bank accounts and homeowners who lack the financial resources to pay their home tax in one payment.

I welcome the finance committee's decision to discuss this regressive tax with the chairperson of the Revenue Commissioners, but the Government should be in the dock and not the people who are tasked with carrying out its legislative follies. Sinn Féin has repeatedly stated

that we are opposed to this tax on family homes, and if we are in Government after the next election we will abolish this regressive tax. This would save 1.8 million homeowners an average of €278 each per annum, creating a €500 million stimulus for homeowners, who could in turn have the option of spending that money in their local economies.

The fact that some Deputies, Labour Party Deputies included, are calling the property tax some sort of wealth tax shows how out of touch they are with average citizens. A tax on the average family home is not a wealth tax. That is as dishonest as it is ridiculous. A wealth tax should target the most privileged individuals and their net wealth, and considering most people paying the property tax have mortgages on their homes, their homes cannot be considered net wealth. Sinn Féin has drafted legislation for a genuine wealth tax. This would have introduced a new third rate of tax of 48% on income earned in excess of €100,000 and a 1% tax on net wealth assets over €1 million. This has the potential to raise as much as €800 million. The Government's refusal to consider a real wealth tax shows where its political priorities lie.

I welcome the decision to tax online betting. I have called for this in the past, as it is becoming too easy for people with gambling addictions to throw away their family or individual incomes. We could all tell stories about the difficulties people have got into with gambling. One cannot go into a pub where there is not a gambling machine, and this is unwelcome. There were many attempts in this city and across Ireland to stop the so-called one-armed bandits, but the poker machines have replaced them. We have all seen people putting their entire wages into them. Sinn Féin would go further. We would like a 3% tax on betting in shops and a 15% gross profit tax on online bookies. There is a need to introduce the Betting (Amendment) Bill as soon as possible to bring remote bookies and betting exchanges into the Irish tax net. We also need to regulate the promotion of gambling. The expensive, flash advertisements never show or explain how gambling addictions have destroyed families and lives. I would like some money to be ring-fenced for this. I talked to one mother whose son is addicted to gambling and she said she saw an advertisement on RTE for an addiction counselling service followed seconds later by an advertisement for a well-known bookie. There is no talk about the impact this can have in society. We talk about the impact of tobacco and alcohol advertising and I do not see why we could not have similar legislation for gambling advertising.

Other speakers talked about the effect of drink in society, and budgets can bring in positive measures on this. There was talk about the lack of taxation in this area, and Sinn Féin has proposed a lid tax to combat below-cost selling, for example of slabs of drink. The Minister said this could not be done, but we need to devise imaginative ideas to tackle the impact this is having on society.

This Finance Bill is a missed opportunity and the people who will suffer as a result are those who have been suffering over the last number of years - those on low and middle incomes. We are already seeing the impact this budget is having across our society, with people terrified of the postman coming to their doors with bills. The Government has choices. It could have adopted a much fairer, more acceptable budget, but it has taxed the usual suspects - those who are in employment, trying to maintain a job. Families and children will suffer. I am sad to say that while I would have liked to support elements of the budget, in the main it will hurt society. There is no vision or hope built into this Finance Bill for the 1,000 people who are leaving Ireland every week. This Finance Bill is a missed opportunity that will benefit the well off and increase the burden on low- and middle-income taxpayers.

Deputy Seamus Healy: This Finance Bill implements the austerity and social vandalism

of the budget. It targets low and middle-income families, poor families, the squeezed middle, everybody from the cradle to the grave. Despite the Labour Party's strong and serious commitments that no cuts to child benefit would take place, fourth and subsequent children will have their child benefit cut by €10 from January 2014. We have the despicable abolition of the bereavement grant by the Government. This Finance Bill is regressive, targets the least well-off and is at variance with the policies, commitments and promises by the two parties in Government.

It is important to note that neither Fine Gael nor the Labour Party has any mandate for the provisions in this Finance Bill. They stood in the 2011 general election on the exact opposite policies. They rightly criticised Fianna Fáil and Green Party policies during that election, were elected on diametrically opposed policies, got into power and are now imposing on everybody across the country the same policies started and implemented by Fianna Fáil and the Green Party.

During the debate I have heard some Deputies saying the country is broke. That is untrue. This country is not broke. Not long ago, the Minister of State at the Department of Foreign Affairs and Trade, Deputy Costello, confirmed that here and told us that Ireland was the seventh wealthiest country in the world.

4 o'clock

We know from figures from the CSO that the top 10% of people in this country have increased both their incomes and assets during this recession, while the majority of people have seen huge reductions in their standard of living and incomes, as much as 18%.

What does this Bill do? It targets those who have lost out during the recession and rewards those who have maintained and increased their wealth and assets. The Bill introduces no wealth tax or third rate of income tax and does not target those people who are not paying their fair share. They should be paying a fair share. We might have expected that from a budget being implemented by Fine Gael, but we would not have expected the Labour Party to support such a situation. This Bill targets ordinary low and middle income families, who had no hand in creating the recession and lets off the hook those who created and benefited from it. It should do the opposite.

The situation in regard to the banks is a serious concern. We now have a duopoly. Government policy supports two pillar banks and there is a lack of competition in the market. We have seen ACC and Danske Bank leave the market in the past week and the position in regard to Ulster Bank is up in the air. The combination of Government policy, the bailout, the support of the two pillar banks and the lack of competition mean we are effectively in a share dealer's dream. This means the banks feel free and are in a position to rip off customers right, left and centre. They are free to bully small businesses and distressed mortgage holders.

In today's *Irish Independent* Charlie Weston confirmed that the introduction and-or increase of bank fees and charges will cost the average family another €260 per year and will take €270 million out of the economy from household finances, thereby further destabilising and depressing retail businesses in particular. This cannot continue. These banks are offering options to customers, but what are those options? I have seen letters to distressed mortgage holders from these banks offering them the option of voluntary sale, voluntary repossession or eviction. Is that any sort of an option for customers? These banks are sending out these letters

as we speak, but we should put a stop to that.

In February of this year I put a parliamentary question to the Minister regarding the sale of Bank of Ireland shares, the process and procedure adopted during the course of those negotiations and the changes that occurred following them. In particular, I wanted information regarding the situation where a senior public servant involved in the sales process continued to be involved at a senior level in the banking area, including contacts with Bank of Ireland. That senior official would shortly thereafter be transferred to a senior position in Bank of Ireland. This is completely unacceptable. This would not be possible in the case of a senior civil servant as there are regulations and standards to be observed in this regard. In a clarification of his response to my parliamentary question, the Minister told me a review of this matter would take place. Has that review taken place and what was its outcome? If it has not taken place, will the Minister ensure it takes place urgently?

A plethora of provisions in this Bill target low and middle income families and single parents, but wealthy pensioners will be left off the hook due to the provision to allow tax relief on pension contributions for pensions worth up to €100,000. Senior public and civil servants and senior private company directors and employees will benefit to the tune of €130 million as a result of this provision. The Bill also targets ordinary families through the local property tax, a tax the Government committed not to introduce. However, it has reneged on that promise. There are also serious implications in the Bill in regard to the health area as the budget in this regard is inadequate.

Deputy Catherine Murphy: The legacy of a Government can be seen in how its budgets shape society. Before the current Government commenced its work, much was said about what this country would be like when its term was completed. The budgets so far are not shaping things in the way most people expected and this is part of the reason people are becoming worn out by the process.

It is evident that it is essential we try to create a more equal society. The work of Wilkinson and Pickett, which made international comparisons around the world in a range of areas, demonstrated, from the outcomes for people in regard to health, crime levels, happiness etc., that a more equal society is a better society. They stated that within each country, people's health and happiness are related to their incomes. Rich people tend, on average, to be healthier and happier than poorer people, even in the same society. They also pointed out that what matters in determining mortality and health of a society is less about the overall wealth of that society and more about how evenly the wealth is distributed. Wilkinson and Pickett's body of work spanned 20 years and is well recognised internationally.

What has been very discouraging about what has happened over the past few years is that the budgets that have been produced by the Government have not been progressive nor have they provided opportunities. They have not tried to create a more equal society. For me, the true test of a Government lies in achieving equality of outcome rather than equality of opportunity. Tim Callan of the ESRI has taken measurements of how progressive budgets have been and concluded that they have not been progressive; in fact, they have been more aggressive than their predecessors. That is the wrong way to go.

Some of us produced a menu of options. I fully accept that the Minister inherited an absolutely appalling set of financial figures, but it is about the choices to be made and expectations. We all had an expectation that a hard approach would be taken to the level of debt, particularly

the level of banking debt which costs so much to service. Approximately €2.7 billion will be spent on servicing the banking debt, while approximately €9 billion will be required to service the overall debt. I cannot think of any word to describe this other than “unsustainable”. Even in this context I do not see why people on low incomes are being targeted when there are options to place the burden on those with bigger shoulders to carry it. Some of us proposed an increase in the rate of PAYE on the portion of income above €100,000. It is too easy to dismiss the idea of a wealth tax. There are prospects to take in additional income from such sources which would help to equalise opportunities and produce a more progressive rather than regressive budget.

The Minister spoke about the importance of creating jobs and I completely agree with him. Nobody in the House does not agree with him. I do not have any criticism of the amount of money being invested in a range of initiatives, except that it is not sufficient. More than €400 million was spent this year on providing rent assistance, but in some parts of the country there is a need to provide social housing in order that the requirement for rent assistance would not continue. The social housing programme is not directly carried out by the State and there is the prospect of leveraging European funds for organisations such as Respond!, Circle or some of the other housing associations. We are not doing enough in this regard.

There are many areas in which we could invest and get a return such as e-governance which would require investment, but it would bring a return. I was particularly drawn to a model in Norway. Savings of 7 billion Norwegian krone were made in a fairly short period, while a 17% reduction was achieved in the number of administrative hours required. This programme continues to deliver. It produces an opportunity to spend money on front-line services. Much more needs to be done and there are areas in which we can invest which would bring a return.

I draw particular attention to the single person’s tax credit restrictions. The Minister has stated he will make some change in order that it can be either-or because in some cases only one parent is working. Parents have come to all of us with details of their own experiences. A man spoke to me about being a very dedicated parent. He is working and paying his way, which is what he wants to do. He has stated we are putting parents already in conflict in further conflict if they must choose who will take the tax credit, particularly if both are on low incomes or it would bring one of them into the tax net. The people concerned, particularly those with young children, are already struggling with costs and in some cases part of the reason a break-up occurred was the burden of covering the cost of very large mortgages and child care. More needs to be done in this area and the social consequences must be considered. Parents have rights, but they also have responsibilities. They should contribute towards the cost of rearing children, but we should recognise there is a different burden on separated families because they must maintain two homes. It is unfortunate the change made will have such an impact. Even the amendment suggested by the Minister does not go far enough.

With regard to young jobseekers, some of the measures in the budget make it look like unemployment is self-inflicted for a certain proportion of the population or that families can assume responsibility for adult children up to the age of 26 years. People ask me at what age they now become an adult. A constituent came to me with a job offer her son had received from the Department of Social Protection and she was heartbroken at the idea that it was sent. He was offered a job as a metal fabricator in Canada. The Department might be trying to be helpful, but when everything is put together, the amount to which people are entitled is being reduced and they are being sent job offers in places such as Canada. What message will they draw from this other than to get out and that they are part of the problem by virtue of the fact there are no

jobs available for them? This is entirely the wrong message to send to a generation which will be critical in putting the country back on its feet. The targeting of young people is one of the awful aspects of the budget and sends all the wrong messages.

Deputy Mick Wallace: I wish to share time with Deputy Michael Healy Rae.

Acting Chairman (Deputy Bernard J. Durkan): Is that agreed? Agreed.

Deputy Mick Wallace: The State funded the Telesis report in 1982 and the Culliton report in 1992. The Telesis report emphasised the inadequacies of an industrial strategy based on foreign investment. It prescribed substantial reductions in grants for foreign firms, with an increase in aid for indigenous firms which were exporting or could be expected to increase exports. Little was done to change Irish policy in these or other directions. The Culliton report came to the same conclusions, despite a decade of severe recession and global restructuring, but nothing changed after this report either.

The logic behind the Government's support for a low corporation tax rate is simplistic and fundamentally flawed in the long term and, ultimately, damaging not only to this country but also to others, particularly those in the global south. To quote Professor David Jacobson of DCU:

The monofocal Irish industrial policy sees development as something like the following:

Low corporate taxes => inward FDI => increase in high-tech => increase in exports
=> growth

This expresses inadequate recognition of the importance of indigenous firms and of all activities other than high-tech ones. For some reason we continue in Ireland to extol the virtues of the so-called smart economy, when we continue to appear well below OECD averages in most of the indicators of advanced technology infrastructures. Moreover, firms in low and medium technology (LMT) sectors continue to account for the vast majority - in nearly all OECD countries - of employment and contribution to GDP.

In short, there is much evidence to support the claim that our fixation on attracting foreign investment has had the unwanted effect of marginalising the development of indigenous industry. Ireland still lacks a coherent strategic approach to promoting indigenous enterprise.

Dr. Proinnsias Breathnach, a former professor of geography at NUI Maynooth, has recently pointed out that while US firms invested €129.5 billion in Ireland over the five years to 2012, and there was a total foreign investment inflow of almost €30 billion in 2012 alone, the vast majority of this inflow goes nowhere near productive activity, with roughly 60% going into financial activities, mostly financial intermediation, which have little connection with the real world where people work in producing goods and services.

Given this situation, the question that arises is this. What is this Government building here in Ireland if not a tax-break funnel for international capital with few or no lasting benefits for the Irish people? When these figures are reported in the press, minus any meaningful context, Government Members give themselves a little pat on the back. Mr. Breathnach does provide a little context when he questions how so much foreign direct investment in the country can be coupled with an 8% reduction in employment by foreign firms here over the last five years.

He writes that the main part of the answer lies in how statistics agencies measure foreign direct investment flows. Thus, earnings of foreign companies that are reported in an economy but are not taken out are considered to be “reinvested earnings”, even though very little may be directed to productive activity, and are counted as an inward investment flow. Last year, these earnings accounted for three quarters of the total recorded FDI inflow into Ireland. Most of these earnings actually originated abroad but were declared in Ireland for tax purposes.

Not only does the continuation of low corporation tax rates in the current budget not produce an increase in jobs here, it robs other countries of taxes that should legitimately be theirs. Many of them are so poorly off that we are currently promoting financial aid schemes in some of them. The mind boggles. Not only is this Government content to preside over a massive rise in inequality within our own borders, but we are actively promoting rising inequality on a global scale.

Before this budget was even announced, Michael Taft of TASC looked at the previous two budgets. He suggests that without the Government cut to public investment, consisting of €1 billion in the previous two budgets, indirect taxes, whereby an extra €1 billion was taken out of the economy, social transfers, whereby another €1.3 billion was taken out of the system, and the reduction in public sector numbers, there would have been 50,000 more people at work. The Government tells us it is focused on job creation, but this is clearly not its top priority.

I am well aware that money does not grow on trees and it has to come from somewhere. We have talked around the houses about different forms of wealth taxes and people earning more than €100,000 paying a bigger share. To leave those issues aside for a moment, I do find it strange we have not discussed measures such as a sugar tax. This is at a time when obesity is costing the State over €1 billion a year, one in four of our three-year olds are either overweight or obese and almost two out of three adults over 50 are either overweight or obese. We can raise in the region of €200 million from taxing sugar-sweetened drinks and many of the food products that are bad for our health.

Coca Cola is bad for our health. The people who produce it need to be taxed directly in order to pay for the problems it is causing. I do not allow underage players in the Wexford Youths to drink Coca Cola. They can go and play in a different club rather than play with us if they are going to drink Coca Cola, because it is bad for their health. I banned the sale of Coca Cola in all our wine bars and restaurants because I would not let my kids drink it. I had a visit from Coca Cola about why I was not selling their product, and I told them that if I did sell it I would be a hypocrite, given that I do not let my kids drink it because it is bad for their health.

The Government should not accept that companies are putting products on the market without taxing them heavily in order to compensate for the fact that there is a cost to the Government every time people consume such products. Companies are allowed to do things but we sometimes do not take on board the costs they create, which are called externalities. For example, in the case of a company with a cement factory that is causing pollution for those nearby, the carbon issue does not half cover the problems that are being caused. There is a huge cost that the State and, indirectly, the taxpayer must pick up for many of the things companies do. The people who sell sweet drinks and foods containing added sugar are part of this equation.

Perhaps there are some problems I do not know about, but I would like to think that there must be scope for financial gain on the part of the State in regard to online betting, which is a massive and growing industry. Despite the fact that we love to gamble, I do not believe the

people of Ireland would be jumping up and down if a tax of 5% was introduced on online gambling in Ireland. Maybe Paddy Power has too much power - I do not know - but the people in general feel we could use the money very well.

The Minister might say I am picking the measure I like for praise, as I get from a benefit from it. Nonetheless, the retention of the VAT rate for the catering industry, restaurants and hotels makes sense because it is a winner for the State in the long term, not just because of the jobs it creates but also because it sustains the industry. The measure that allows people who are properly registered do building work is a clever idea because, while much of the work would have taken place in any case, this does deal positively with the black market. It is a sensible idea.

One thing I am not so impressed with is the change from the one-parent family tax credit to the single-parent child carer credit. The measure is pretty self-explanatory. I will read a short letter, which other Members have also received. The writer states:

It is with deep regret that I learned about the proposed Single Person Child Carer Tax Credit in the most recent Budget - it effectively means that I now face the reality of having to reduce the contact time I am currently granted with my two children in order to save this Govt... [approximately] €18 million.

Should it be passed I will lose approximately €40 per week in a tax credit, or €160 per month.

I currently pay over a third of my salary in maintenance towards my kids - and this is right & proper; I am a responsible parent, whose first thought is ALWAYS what is best for my children. I continue to pay maintenance even when I have my children for a weeks holiday over each of the holidays and every second weekend. I try to feed them with healthy foods but consequently cannot afford cinema trips, fun activities at weekends, etc.

I live 40 miles away from my kids, do all the driving out to collect and driving out to drop them off.

I have to pay rent on a place that is comfortable enough to act as a second home to my two kids, and all the utility bills that accompany such a home.

My home is in negative equity. I am in considerable arrears on my mortgage. I also continue to pay off debts accrued during the course of the marriage.

My weekly expenditure averages at just under €500, which my weekly wage does not currently cover. The withdrawal of the current One Parent Family Tax Credit effectively means an 8% reduction in my weekly income ... something has to go in order to accommodate this loss; the only thing I can cut is petrol money, which will inevitably mean I will have to reduce the amount of time I can spend with my children.

Please, I implore you to advise me how I explain this to my children! I've done everything I possibly could to date to remain a positive influence and presence in their lives.

All Deputies have heard many similar sad stories. These stories are not becoming any less prevalent.

Export figures may be improving, our GDP may appear to be fine, we may be reducing our

deficits and there may have been a great deal of discussion about an economic recovery, but we must ask who will benefit from all of this. What is really frightening about this recession is that more than half the people of Ireland are finding it difficult to survive. The position with regard to the domestic economy remains extremely problematic and this is having a massive impact in a number of areas. I have admitted that some of the measures introduced by the Government have helped. In light of all the fiscal adjustments that have been made, there is less money to go around and there has been a huge reduction in the potential spending power of the majority of people.

The most recent figures available in respect of poverty date from 2011. From 2007 to 2011, risk of poverty in Ireland rose from 23% to 29.4%. It is difficult to imagine that the position has improved in the past two years, particularly in light of what has happened during that period. It is frightening that so little research is carried out in respect of social mobility. Those who were born into the bottom 20% of society 30 years ago had greater potential to improve their lot than do their current counterparts, which is terrifying. After the Second World War, in the period between 1945 and the mid-1970s, a wonderful and powerful adjustment took place in the developed world in respect of social inequality. Everybody - including big business, the better paid and the lesser paid - benefited from this adjustment. Things were good all around. People do not like us to refer to neoliberalism but the fact remains that the latter has had a dramatic impact on how society is organised in the years since the period to which I refer. Sadly, that impact has not been for the good. We must start asking questions about the sort of society in which we want to live. As matter stands, the lack of fairness and the growth in inequality in society are hurting people.

Deputy Michael Healy-Rae: I sincerely thank the members of the Technical Group for allowing me to use some of their speaking time. I acknowledge the presence of the Minister in the Chamber.

I wish to place a number of points on the record. The first of these relates to the Dáil tolerating the drip-feeding - in the Government's favour - of details relating to the budget in the weeks before its introduction. What happened in this regard was ridiculous. In the past, Ministers of State were sacked because information relating to the budget was leaked. No Government should engage in the type of behaviour we saw from this Administration in the lead-up to the budget. For example, there was a real element of cohesion involving certain sectors of the media and particular Government Ministers. Nobody can deny that. In the week prior to the budget, the Minister for Social Protection was obliged to preside over issues such as the abolition of the death grant and attack people who were in a really bad position in the first instance. On the following Sunday, and under a suitably nice picture of her, one of the newspapers referred to that Minister as "Wonder Woman". One could not make it up. In return for statements about Wonder Woman, there was a constant stream of leaks from the Cabinet table. That should not be tolerated by the Minister for Finance. I wish to make one thing clear, namely, that I absolutely do not believe the Minister opposite engaged in the type of behaviour to which I refer. I would not want any aspersions to be cast on his character in that regard. The Minister, who is a respected and long-serving Member of the House, is too much of a serious and respected politician to engage in such behaviour. However, the process of leaking is happening under the Minister's nose and under that of the Taoiseach. I am of the view that leaking is wrong.

As the Minister is aware, for the first time in 25 years members of the farming community are faced with the prospect of trying to survive in the absence of any type of agri-environmental schemes. The rural environment protection scheme, REPS, was great in that the money from

it went back into local communities. If they get money, farmers will spend it. However, REPS and the agri-environmental options scheme, AEOS, have been both brought to an end. Farmers are currently experiencing great difficulties in obtaining their area-based payments. This is because large areas of land have been deemed to be ineligible. Much of the land in the more marginal parts of the country contains rocks, lakes, furze bushes and rushes and we have been informed that this land is no longer eligible. In the past, people were told they could let this land but now they have been informed that it cannot be considered for area-based payment purposes.

Young people are leaving the country in massive numbers. This will lead to a situation whereby the country will be deprived of a generation of people and their youngsters. This is because, unfortunately, many of the individuals who have left Ireland will not return. In that context, I wish to highlight a matter I tried to raise on the Order of Business and which relates to the simple things the Government could be doing to make life easier for these people. Instead, it is making life harder for them. I refer to the centralising of the processing of driving licences. Under the new system, young people who are out of the country must return here to renew their licences. How can they do that if they are working abroad? These individuals do not have enough money to return from Australia, Canada or Dubai to have their pictures taken and obtain new driving licences.

I compliment the Minister on retaining the 9% VAT rate for the hospitality sector. At a certain point he put the wind up all of us when he hinted that the rate might revert to its original level or perhaps somewhere in between. I compliment the Irish Hotels Federation, the Restaurants Association of Ireland and politicians on all sides who campaigned vigorously in respect of this matter and I commend the Minister on listening to what they had to say. This measure, which he introduced in the first instance, is both self-financing and imaginative. I may be wrong but I believe the Minister previously stated that he introduced the measure even though he was not asked to do so. Of course he was asked to do so because we were all telling him to take action to help an industry that was on its knees. I accept he was good enough to reduce the rate to 9%.

I welcome the home improvement scheme but it does not go far enough. Initiatives are being introduced to enhance and renew towns. Why does the Government not introduce incentives for village renewal? We are all familiar with villages which are dying and in a state of decay. The introduction of a measure to encourage people to renovate properties in villages would provide a massive boost to the economy, both locally and nationally. I implore the Minister to introduce such a scheme as it would mean a great deal in villages. We hear much about cities and towns but we should not forget our villages, many of which pre-date our towns and cities. Do I have much time left?

Acting Chairman (Deputy Bernard J. Durkan): The Deputy's time has expired.

Deputy Michael Healy-Rae: I hope I have not expired.

Acting Chairman (Deputy Bernard J. Durkan): Deputy Aengus Ó Snodaigh has only 30 seconds' speaking time as the debate is due to adjourn.

Deputy Michael Healy-Rae: He will expire in that time.

Deputy Aengus Ó Snodaigh: This is a bad budget, which comes on top of many other bad budgets. The context is not a single day in October when two Ministers announced a regressive budget but the austerity budgets which preceded it. The effects of budgets are not always

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immediately clear and emerge only when the detail of the various measures is published. The Ministers for Finance and Public Expenditure and Reform, Deputies Noonan and Howlin, respectively, spoke in the Chamber for nearly one and a half hours on budget day.

Debate adjourned.

Message from Seanad

Acting Chairman (Deputy Bernard J. Durkan): Seanad Éireann has passed the Social Welfare and Pensions Bill 2013, without amendment.

Topical Issue Debate

Social and Affordable Housing Provision

Deputy Michael Conaghan: The Minister of State at the Department of the Environment, Community and Local Government, Deputy Jan O'Sullivan, has inherited a dreadful legacy in her social housing portfolio. This is the result of long periods of neglect and under-provision by previous Administrations. Let us take a moment to consider this legacy of neglect. There are 100,000 people on housing lists, long queues on transfer lists and homelessness and hostel figures have reached unprecedented levels. There is also another waiting list of tenants waiting for repairs, new doors, windows, heating and insulation to their homes. While figures are important, they do not fully express, capture or measure the anxiety, helplessness and frustration of families who long for a house to make their home. Despite the scale of the problem facing her, the Minister of State has risen to this challenge and ably secured significant sums for social housing. She has, for example, obtained €15 million for refurbishment and a further €15 million for initial new construction. A successful application has been made to the European Union for a loan of €100 million in EU funds to make ready vacant apartment blocks in three cities. This is a very impressive start to her efforts to tackle a seemingly intractable problem.

On behalf of those on the housing list, many of whom visit my clinics every week, I want to know whether the era of neglect of social housing has come to an end. I also seek a reassurance that the Government takes a different attitude to social housing from its predecessors and has a commitment to it.

Minister of State at the Department of the Environment, Community and Local Government (Deputy Jan O'Sullivan): I thank the Deputy for raising this important matter. I assure him that the Government is determined to address the problems faced by people waiting for housing. Unfortunately, we inherited an economy that had collapsed, which had a significant effect on capital budgets.

One means of dealing with the housing list is to make available empty houses. Some 3.3% of social housing stock is vacant, out of a total stock of almost 130,000 social housing units. Local authorities are responsible for the management and maintenance of the social housing stock. Rental income is used to support responsive and planned maintenance programmes. However, constraints on local authority revenue funding have resulted in a growing number of properties being left vacant for protracted periods.

The best approach to preventing houses becoming long-term voids is through proactive, planned maintenance programmes by local authorities and taking steps to ensure the quick turnaround of properties as they become vacant. Local authorities are, by and large, doing this, although some problems remain. My Department has a number of capital support measures in place to assist them in refurbishing vacant and boarded up houses.

This year, the Department is providing funding of more than €121 million in capital grants to local authorities for improving the social housing stock. This includes €80 million for the regeneration of run-down estates and flat complexes in Dublin city - Deputy Conaghan will be familiar with some of these - as well as Limerick, Cork and a number of regional centres. Approximately €20 million is being provided for estate wide remedial works and this year the Government approved a new €50 million insulation retrofitting programme which will result in some 25,000 local authorities houses being provided with attic, roof and wall insulation. This will have a significant impact on comfort levels and energy savings and create much needed jobs. Some €10 million of this funding has been made available this year and will be used to retrofit approximately 5,000 properties. A further €25 million will be made available in 2014 when I expect work will be completed on some 12,500 properties. On a visit to Corduff in Fingal yesterday I saw how this programme is being used to make houses more comfortable and energy efficient and to reduce fuel costs for householders.

The Department also applied for funding from the European Union and I hope this application will be successful. This funding will be used specifically to address problems in flat complexes in Dublin, Cork and Limerick.

The Government's housing policy statement published in June 2011 clearly identifies that the priority for Government will be to meet the most acute needs of households applying for social housing support. We must use all the schemes available to us while we await further capital funding. This includes the rental accommodation scheme, securing housing units from the National Asset Management Agency, a process we are seeking to accelerate, and working with approved housing bodies. These bodies have demonstrated a capacity to raise funds additional to those that are allocated from the Department's capital budgets. We are, therefore, working to provide social housing through various means.

This year, the Department announced funding to enable local authority housing construction programmes to commence. This funding is additional to funding provided to address void or vacant housing units. Some local authorities have a large number of void units and we want to ensure they are returned to use. While the sum provided this year is relatively small owing to the ongoing difficulties with capital allocations, we will increase this funding when it becomes possible to do so. I am determined to ensure the social housing programme optimises the delivery of social housing and the return for the resources invested. It is essential that we use all available Exchequer supports in the prevailing conditions, and the various solutions at present, to address housing needs. That includes a variety of measures.

I am determined that we will address this problem. It was one that was on the increase during the Celtic tiger when the money was around. It is more difficult now because we have so little in terms of capital funding, but the economy is recovering. We intend to ensure that we use the rising of the economy to be in a position to provide more social housing.

Deputy Michael Conaghan: I am pleased with what the Minister of State said. I am aware of her long commitment to and compassion for the housing issues in her native city of Limerick, for example, the massive regeneration project to which she is fully committed in that city, and the transformative impact that such a project will have on the lives of the people her native city.

I am also aware, from discussions with people whom she has met in Dublin in places such as St. Teresa's Gardens, and where she has met former residents of St. Michael's Estate, of the praise they have conferred on her due to her conduct of those meetings and her attitude, and her understanding of the issues with which they are confronted. That all augurs well for the lifetime of portfolio. I pass on some of the best wishes of residents in St. Teresa's Gardens and former St. Michael's Estate. When they knew I might be speaking to her today, they asked me to thank her sincerely for having visited and for the length of time she spent, and the understanding and the compassion she brought to bear on the dilemmas that they are facing in their housing issues.

Deputy Jan O'Sullivan: On Dublin, as Deputy Conaghan will be aware, there is still some work to be carried out, this year and next, in Ballymun but it is close to completion, and we really want now to address difficulties in the kind of estates of which he spoke, such as Dolphin House. There is a commitment to funding, at least in the lifetime of this Government, for those projects.

On the application for European Union funding, if we get that funding - I have no guarantee that we will get it but we hope we will get it - it will allow us address 2,000 local authority flats, 1,500 of which are in Dublin with the others in Cork and Limerick. That is a substantial number of units of housing as well. We will be working hard to ensure that we get that funding to address those difficulties.

Dublin Water Shortage

Deputy Brian Stanley: The issue of water was topical last week and into this week here in the capital city because many did not have it throughout the day. The population is the greatest concern, but it was unfortunate that we did not have water coming out of taps during the week of the web summit when we were showing how far advanced we were from a technological point of view. Water is important, both for households and jobs.

Earlier this week the Minister for the Environment, Community and Local Government, Deputy Hogan, stated that it was a matter of poor communication but I fail to see his point. The capacity, in terms of what was coming through the pipe system, was not there. No matter what way one communicates that, communication will not put water in the taps.

The solution on which I will focus is the water project by Bord na Móna, the Shannon Garryhinch-Dublin water project. That project, together with the issue of water conservation, is the key issue here.

There will be a considerable amount of funding spent on the significant programme under

way to put meters in place. If one compares the Dublin households with similar comparable households in Wales, the figures shows that they use almost the same amount of water despite the fact that Dublin households were not metered and the ones in Wales were.

The Garryhinch project is a ready-to-go project. Bord na Móna is anxious to proceed with it. If it is done, I am told it will be good for 100 years. It would be in State ownership, under democratic control of the State in a good semi-State company. It is needed for foreign direct investment in the midlands and eastern counties and it would be a significant job creator in counties Laois and Offaly, creating 150 long-term jobs and 1,000 jobs in construction. It is a real winner and I would ask the Minister to seriously look at it.

Deputy Barry Cowen: The water shortages in the capital city over the past ten days are a damning indictment of the Government's water policy. A reliable consistent supply of water to both domestic and industrial users across the country's biggest city is a vital part of a fully functioning economy. Businesses and residents across Dublin have suffered severely from the dramatic impact of 12-hour long water shortages. We are faced with the perverse situation where businesses, which pay high water rates for their supply, have endured damaging cutbacks which have impacted significantly on their revenue. All the while, ordinary residents, who are facing new water bills from 2014, are left to cope with an overstretched supply.

I have consistently called for a comprehensive national audit of the water infrastructure in Ireland. Instead, the Minister has put the cart before the horse. He has ploughed on with establishing Irish Water, allowing for glossy expensive advertisements on newspapers and television, glorifying the corporate identity of Irish Water and, most important, with a system of water charges which, as I stated, is set to be imposed at the end of next year.

This policy has been further compounded by the refusal to subject Irish Water to the Freedom of Information Bill. Without even the detail as to why Bord Gáis was picked over and above Bord na Móna in the first instance, we are establishing an unprecedented quango, without oversight or transparency.

Dublin needs the security of an adequate water supply and a reserve that is capable of facilitating the strains placed on it by the abnormal summer we had. The key questions, that the Minister needs to answer, instead of a response that is bluster about Irish Water, are what specific steps are being taking to ensure Dublin has a sufficient water reserve and sufficient water supply to bear the weight of future strains put on that supply. The residents and businesses of Dublin need a water supply that delivers, not a misguided quango. I look forward to the Minister's response on this issue.

Deputy Kevin Humphreys: It was difficult to listen to Deputy Cowen talking about the water supply for Dublin given who was in charge for the past 24 years.

Deputy Barry Cowen: It is 24 years now. We were good, not that good.

Deputy Kevin Humphreys: Water for the greater Dublin area is one of the key issues challenging both Dublin and Leinster. Twenty years ago, it was identified that there was a need for a water supply for the Dublin region. Nothing has happened over those 20 years. It just happens that the previous speaker's party was in government. Ten years ago, the Garryhinch project was first talked about.

At this stage, I welcome that we will have water in the capital city tonight, but let us see

what we need now. There is a leak problem in the city and that is being addressed by the water mains rehabilitation service. We need that to continue over the next coming months and years. The metering, it has been shown internationally, will create another 10% in savings within the Dublin area. Therefore, I work out that we have approximately ten years to bring on an alternative water supply for the Leinster area.

The Leinster area is the golden calf. It creates 70% of all tax revenue to the State. We need now to make that investment to right the wrong of the past 20 years and invest in a safe, secure sustainable water supply for the Leinster region from where the vast majority of tax revenue comes to support the State.

I ask the Minister to address urgently this matter and look into setting up a Cabinet task force to address the water supply issue for the Dublin region.

5 o'clock

Deputy Jan O'Sullivan: I thank the Deputies for raising this issue which I am taking on behalf of my colleague, the Minister for the Environment, Community and Local Government.

I welcome the announcement today by Dublin City Council that the recent nightly restrictions on the supply of water are being lifted. I also welcome the news that production levels at the water treatment plant in Ballymore Eustace have been substantially restored to normal levels. The recent restrictions have, undoubtedly, caused difficulties for people across the Dublin region and a return to normal service will be welcomed by all. I concur with Deputy Kevin Humphreys on the long lead-in time for water projects. Something that was intended to come on stream now would have needed to be planned during the time when Deputy Barry Cowen's party was in charge.

Matters relating to the operation, maintenance and management of the water supply systems in the Dublin region are ones for the relevant water services authorities under the general supervision of the Environmental Protection Agency. In the case of the Ballymore Eustace water treatment plant, Dublin City Council is the responsible authority. Following notification by the council of the problems at the Ballymore Eustace water treatment plant, my Department was in constant contact with the council to see how the problems could be solved as expeditiously as possible to ensure full resumption of water supplies in the Dublin region without undue delay. The Minister received a number of briefings on the matter from the city manager and earlier this week he visited the Ballymore Eustace plant to see at first hand the work that was being carried out to fully restore supplies. Production at the plant stabilised late last week and over last weekend. It has been improving each day since to the point where restrictions can now be lifted. The council has advised that production levels at the plant and storage levels in the region will continue to be closely monitored.

Funding under my Department's water services investment programme has been and continues to be invested in improvements to both the water supply network and treatment capacity within the greater Dublin area. In recent years new well fields in north east Kildare have been brought on stream and the new water treatment works at Srowland, near Athy, has commenced production. Investment is continuing in the upgrade of the Ballymore Eustace plant and at the Leixlip water treatment plant. Work at these plants has brought additional capacity into the system and further additional supplies will be available when work is completed at both locations during 2014. In addition, there is a substantial programme of works in train as part of the

Dublin region water mains rehabilitation project. Significant water savings have been made and additional savings are anticipated as this work continues.

My Department's water services investment programme also contains numerous schemes and contracts to upgrade other water supply schemes in Leinster. Water service authorities throughout the province are, like the Dublin authorities, progressing these as expeditiously as possible. When Irish Water becomes responsible for the investment programme in 2014, it will continue the work of improving the infrastructure on an ongoing basis. There will be continuity in the transfer of the investment programme to Irish Water and it will commence an initial two year programme of works covering the period 2014-15. Thereafter, Irish Water will embark on a new cycle of investment programmes of longer duration, having due regard to economic needs and environmental compliance in all areas of the country.

Deputy Brian Stanley: The Minister of State did not mention the Garryhinch project. Consultants are carrying out a study of that project for Dublin City Council, including water flows in the Shannon basin. I understand it will be a two year project. I have noted the brash press releases announcing that the project is about to go to planning, but the studies will need to be completed before the planning stage is reach. However, other preparatory work remains to be done and I urge the Department to consider the project carefully in the context of its potential for job creation not only in the midlands but also in Dublin. If we are going to have another Intel, we will need to have a sufficient supply of water.

I understand the Vartry tunnel supplies up to one third of Dublin's water. It was identified in 2007 as having major problems, because it is approximately 200 years old. If anything happens to the tunnel, Dublin will lose a significant amount of water. I ask the Minister of State to raise this issue with the Minister, Deputy Phil Hogan, and his officials. I urge the Government to do everything it can to progress the Garryhinch project in parallel with other works.

Deputy Barry Cowen: I understand why Labour Party Members and others would seek to deflect from the job at hand by speaking about how they won the last general election. They will want to win the next election with the same arguments they made in 2011. For the record, €6 billion was spent on upgrading water networks over the 14 years prior to 2011.

As Deputy Brian Stanley noted, the Minister of State did not mention the Garryhinch project. The Critical Infrastructure Act 2006 gives the Government and statutory authorities great scope in progressing projects such as the Garryhinch project. It is irritating to hear the Minister, Deputy Phil Hogan, and engineers indicate that it could take ten years to complete the project. The workforce and population of Dublin pay 50% of the income tax raised in this country, 62% of VAT receipts and 59% of corporation tax returns. It is only right and proper that the Department of the Environment, Community and Local Government acquiesce to the request I made when Irish Water was established 18 months ago and supply the House with a detailed analysis and audit that would create a blueprint for the network throughout the country. That would allow us to build a system that would be costed and fit for purpose. Perhaps people might then be happy to pay for a service they could stand over. It is the duty of Government Members to take the reins of government given to them by the people and do what they promised. Rehashing old arguments might have worked at the last general election, but recent opinion polls suggest it will not work the next time the people are asked to adjudicate on their performance.

Deputy Kevin Humphreys: I do not have to deflect because it is a fact that the investment in preventing leakage was limited in the past 20 years. The level of leakage in Dublin was

disgraceful. Dublin never received its fair share because there were no votes in fixing pipes. Dublin needs a champion in the form of a mayor for the greater Dublin area. Deputy Barry Cowen has outlined the tax revenues produced in Dublin. If they are expanded out to include the rest of Leinster, the figure is enormous. The city needs a mayor who could obtain our fair share of investment. We critically need a secure and sustainable water supply. There is to be a plebiscite on a mayor for Dublin at the next local elections, with legislation to follow two years later. If we follow that timeline, Dublin will not have a mayor for another seven years. We need a champion now to articulate the needs of the city. If one considers the amount of taxes paid in the city region, Dublin has consistently failed to receive its fair share of the pie. South Dublin receives the lowest proportion of the local government grant. Dublin city received a miserable €52 million. If we want to continue to attract foreign direct investment in the Dublin region where companies want to establish, we need a water supply. I urge the Minister of State to consult the Cabinet on setting up a task force to supervise the delivery of a safe and secure water supply for the greater Dublin area. That is something the last Administration failed miserably to deliver.

Deputy Jan O’Sullivan: I thank the Deputies for making specific points. I will bring the points that are relevant to the attention of the Minister, Deputy Phil Hogan. There is no doubt that the Dublin region needs a major new source capable of supplying 350 million litres of water per day if it is to meet its medium to long-term needs. There is no dragging of feet on the part of the Government. Dublin City Council recently appointed consultants to progress the planing phase of the Dublin long-term source project. This has to be done step by step, as Deputy Brian Stanley acknowledged. We know it is an important project.

A commitment has been made to address the issue of having a Dublin mayor. It will be addressed next year at the same time as the local and European elections. At least, the question will be raised. The Deputy is questioning the timeframe of when it will be implemented. Certainly, there is a clear acknowledgement by the Government that there is a need for a proper source of supply of secure water for the Dublin region. There will be no dragging of feet in delivering the project. Obviously, Irish Water will take over responsibility in terms of the practical delivery as soon as it is established but there is no dragging of feet on the part of the Government. We will continue to work on this to ensure an adequate supply water for the Dublin region.

Institutes of Technology

Deputy Colm Keaveney: In 2010, a number of lecturers within Galway-Mayo Institute of Technology, GMIT, became concerned about the treatment of allegations and instances of plagiarism and cheating within the institute. These concerns have been expressed in the local and national press. In 2011, an investigation was launched following a series of revelations in the *Galway City Tribune* about plagiarism at GMIT and discontent about standards among teaching staff. The incident involves a Master’s student in the school of business who obtained an instructor’s manual that contained model answers to assessment questions. The student used the material to cheat. The instructor manual was legitimately accessible by academic staff only and was protected by a password. It is alleged the password was passed by a lecturer to the student. The student was subsequently found guilty of plagiarism and had some marks docked but not enough to impact on his final year grade and the student later graduated.

Three internal investigations were held, the second of which found that the internal disci-

plinary committee has acted incorrectly in treating it as a minor incident. The third inquiry found that “there is a *prima facie* case in respect of misconduct to be answered” with regards to a lecturer who assisted a student to cheat. The governing body subsequently launched an unprecedented external investigation, hiring outside independent experts. The terms of reference of the inquiry included establishing if the matter was “suppressed, concealed or covered up” by staff within the institute. These terms reflect the belief that the allegation of cheating only came to light because of the persistence of a junior, short-term contract lecturer, in the face of opposition from management and staff, to continue raising the issue of standards of education in the institute. The junior lecturer did not, I understand, have her short-term contract renewed.

All of this has been reported in the local and national press. The inquiry was not expected to last this long but is now in its third year. Most of the costs of the inquiry relate to legal advice. The sum now amounts to something short of €400,000 and is still rising. The costs are a concern as the inquiry now appears to be dragging on over three years and potential legal challenges are coming from the parties involved. These costs must be seen in the context of severe cuts to the institution imposed by this and previous Governments while student numbers have increased. In a written response to other Galway Deputies, the Minister indicated his reluctance to intervene in the matter given that it involves an independent institute. The Minister stated these events and allegations are a matter for the institute, its management, for it as an authority and for its academic council. That may be the case but, given the protracted nature of the inquiry and its ever rising costs, the Minister is cognisant of concerns such as the prudential spending of scarce public moneys that must be provided to the institute and, most important, the potential damage to the academic reputation of the institution. It is a vital part of my county and the west’s resources as a contributor to the economy and society.

Will the Minister responsible for education use whatever influence he has to press for immediate closure on an investigation that has cost nearly €400,000 to date? Will he use his influence to ensure the institution takes whatever action is necessary to report as quickly as possible? The investigation has gone on for three years. It is time for closure and to improve the reputational damage caused to GMIT.

Minister for Education and Skills (Deputy Ruairí Quinn): I would like to thank the Deputy for raising this serious matter. Institutes of technology are autonomous statutory bodies established under the Institutes of Technology Act 2006. An institute’s academic council has statutory responsibility to protect, maintain and develop the academic standards of the institute and, subject to the approval of the governing body, for the making of academic regulations of the institute including those governing the conduct of examinations.

Accordingly the investigation of allegations of plagiarism and cheating is a matter for the institute’s management authorities and its academic council. GMIT has a published policy for dealing with alleged or suspected plagiarism. The document, which has been approved by the institute’s academic council and governing body, provides a definition of plagiarism and outlines the institute’s policy and procedures for dealing with alleged or suspected plagiarism. The full document is available on the institute’s website.

I understand the issues involved are complex and that the president of GMIT expects the final report to be submitted to him shortly. I take that to mean a matter of weeks. With regard to funding, the Department of Education and Skills allocates recurrent funding to the Higher Education Authority, HEA, for direct disbursement to the HEA institutions, including GMIT. The HEA allocates this grant to institutions for free fees and core grant funding and other spe-

cific earmarked initiatives. The HEA uses a recurrent grant allocation model to determine the amount of core funding or grant provided to each institution. It is then a matter for the institution to determine how funding is allocated internally.

All higher education institutions are facing very real challenges to cope with declining State budgets and rising student populations. Institutions must also reduce staff numbers in line with the employment control framework for the sector. Core staff numbers in higher education institutions were reduced by 9% between December 2008 and December 2011 while, during the same period, overall full-time student numbers increased by 12%. Staff numbers have reduced by a further 1.5% at the end of the last academic year and further reductions are required this year. It is a matter for each institution to work within a balanced budget and achieve best value for money.

There are clear accountability and governance procedures in place within institutions, and reporting mechanisms to the HEA, the Minister for Education and Skills and the Oireachtas. Under legislation, the president of the institution is the accountable officer and is answerable to the committees of the Oireachtas with regard to the disposal of moneys. Legislation also provides that the Comptroller and Auditor General undertake annual audits of the accounts and financial statements of the institution. This includes a review of all expenditure, including legal fees, incurred by the institute. The Comptroller and Auditor General regularly reports to the Committee of Public Accounts on these audits and is therefore accountable to the Oireachtas.

Deputy Colm Keaveney: I acknowledge the fact that the Minister made himself available today for this query. It is an important issue that the Minister has commented on. We are talking about 20 special needs assistants, 700 medical cards, a number of school extensions or 20 Garda cars. Some €400,000 has been spent investigating what I can only describe as an unacceptable allegation at GMIT. I welcome the statement of the Minister and it is incumbent on me to write immediately to the Committee of Public Accounts to invite the chief governing officer to account for how an investigation has taken over three years and has incurred legal fees of €400,000.

My background is in investigations of workplace allegations, grievances and procedures for that. I am at a loss to understand why the State has to incur the liability of somewhere short of €400,000 in an investigation when public moneys are pretty scarce, as the Minister knows. His door and the corridor are worn down with Deputies begging for resources to protect more vulnerable people. This is a scandalous waste of public resources. It cannot be condoned and it warrants further investigation. It is incumbent on us to immediately write to whatever Oireachtas committee is responsible for this area so that it can haul in whoever was involved from GMIT management to provide details of how this significant amount of money was spent. This amount was generated by one or two people over a time period of three years. It is nearly the cost of four houses, 20 special needs assistants or 600 medical cards. I am delighted the Minister has not shirked his responsibilities in his response.

Deputy Ruairí Quinn: I thank Deputy Keaveney for his opening comments regarding my presence here, which I appreciate.

GMIT has an excellent reputation and plays a key role in supporting the development of the western region. It facilitates access to third level education for people from Galway, Mayo and beyond and plays a key role in the development of business and industry in the region. It is proposing to link up with Sligo and Letterkenny Institutes of Technology to strengthen that

strategic role.

The institute's reputation and its future contribution, not to mention its past reputation, is of critical importance. I do not wish to comment on the individual details of this case while the process of investigation is ongoing. However, I can understand why the Deputy is concerned. I have deliberately pointed out to him what this House can do with regard to democratically expressing that concern in an appropriate manner and at an appropriate time.

Deputy Colm Keaveney: I thank the Minister.

Acting Chairman (Deputy Charlie McConalogue): The next matter is in the name of Deputy Paul J. Connaughton to the Minister for Agriculture, Food and the Marine.

Deputy Paul J. Connaughton: Under the new Standing Orders of the House, I am seeking to defer this matter to next Tuesday, 12 November 2013. This has been agreed with the relevant Minister.

Acting Chairman (Deputy Charlie McConalogue): That is agreed.

The Dáil adjourned at 5.20 p.m. until 10 a.m. on Friday, 8 November 2013.