



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Déardaoin, 5 Samhain 2015

Thursday, 5 November 2015

Chuaigh an Ceann Comhairle i gceannas ar 9.30 a.m.

Paidir.

Prayer.

Ceisteanna - Questions

Priority Questions

Leader Programmes Applications

1. **Deputy Éamon Ó Cuív** asked the Minister for the Environment, Community and Local Government to set out the progress made to date in the roll-out of the Leader programme; the number of sub-regions where there is only one approved bidder; the numbers of completed plans received from these areas; the expected date of commencement of contracts for the first movers; the number of contracts it is hoped will be signed by the end of the year to deliver the programme; the latest date by which areas where there is more than one bidder must deliver their plans for evaluation; and if he will make a statement on the matter. [38545/15]

Deputy Éamon Ó Cuív: Many people are keen to see the Leader programme process begin and companies get contracts. Will the Minister of State give us an update on the progress made in rolling out the programme and, in particular, whether we will see contracts in position for Leader companies by the end of the year?

Minister of State at the Department of the Environment, Community and Local Government (Deputy Ann Phelan): As the Deputy will be aware, Ireland is conducting a two-stage process for the selection of local development strategies to support the delivery of the Leader elements of the rural development programme 2014-20. Stage one of the process is now complete. Those successful in stage one have moved to stage two of the process which involves the preparation of local development strategies for their areas.

The Deputy asked a specific query. The process of preparation and submission of local development strategies is under way in each of the 28 designated sub-regional areas. In all, 34

local action groups are expected to submit Leader strategies, with the submission of a single strategy expected for 23 or more areas. To date, three local development strategies have been received and they are being considered.

A minimum period of six months, to the end of January 2016, has been allowed for the submission of strategies by all local action groups. We expect the majority to submit strategies before the end of January 2016. In line with current European Commission guidance, my Department will be reasonably flexible and accept strategies after January 2016, where appropriate. It will not cause any undue delay in the roll-out of the programme in the relevant areas, including those where more than one strategy is expected to be submitted.

Based on the progress made to date by local action groups, I expect a small number of contracts to be signed before the end of the year, although it is a little too early to say exactly how many will be signed and commenced this year. That will be determined largely by the number and quality of strategies submitted in the coming weeks. That said, I am hopeful the majority of areas will have their strategies approved and be in a position to commence delivery on a rolling basis between now and early 2016.

Deputy Éamon Ó Cuív: I thank the Minister of State for her reply. May I take it that in 23 of the areas only one strategy will be submitted? Let us suppose a strategy is submitted for evaluation. May I take it that if it passes muster, the Department will very quickly allow the contracts to be signed to allow progress to be made? The Minister of State might confirm this officially. May I take it that the Department has received strategies, but that it expects the bulk of them to be submitted between now and the end of the year? I am not necessarily saying they have been approved but submitted. Am I correct in assuming it will take approximately one month for the evaluation committee to evaluate the final strategies? I understand there have been preliminary discussions and that, allowing for the Christmas period, within one working month a company can expect its strategy to be up and running.

Deputy Ann Phelan: The Deputy is correct in everything he says. A total of 34 local action groups are expected to submit Leader strategies, with the submission of a single strategy expected for 23 or more areas. I am working with officials to ensure there will be no unnecessary or undue delay. I know that the relevant communities are concerned and that the Leader programme is very much anticipated in the communities that the programme has been designed to benefit. I also understand the Deputy's concern, but I am more concerned with the quality of the strategies submitted. I do not necessarily want to rush them, but we are keen to ensure they are of good quality. Once they are submitted, we will work hard to ensure the draw-down of money.

Deputy Éamon Ó Cuív: In 23 or more areas there will be one strategy. Will the Minister of State confirm the position in these cases? If a strategy is not up to standard, will the Department go back to the bidder or the person who submitted the strategy to look for necessary amendments or improvements? In cases where there are two or more strategies, a competitive bid process applies and the best strategy will jump the ditch. Will the Minister of State outline what will happen if several of the strategies are not up to standard? Will the Department accept the best strategy and try to have it improved?

Deputy Ann Phelan: The best strategy will win out because it is a competitive process. Given the standard of strategies that have been submitted and from what I know having worked with the councils and the local community development committees, they know what their job

is. I do not expect any strategy to be in any way substandard. All council officials and local development companies have been working hard on to have quality submissions made. I do not expect too many difficulties with the standard of submissions made.

Wind Energy Guidelines

2. **Deputy Brian Stanley** asked the Minister for the Environment, Community and Local Government when the new wind farm regulations will be put in place; and whether they will include mandatory set-back distances based pro rata on the height of turbines. [37477/15]

Deputy Brian Stanley: This question relates to wind farm regulations or guidelines. We do not have either, except for those which are obsolete. The Minister is aware that the development of wind farms continues apace throughout the country. There is considerable concern about the inadequate legislative framework. We have no clear indication of what is happening regarding bringing it forward.

Minister for the Environment, Community and Local Government (Deputy Alan Kelly): In December 2013, my Department published proposed draft revisions to the noise, setbacks and shadow flicker aspects of the 2006 wind energy development guidelines. These draft revisions proposed the setting of a more stringent day and night noise limit of 40 decibels for future wind energy developments; a mandatory minimum setback of 500 m between a wind turbine and the nearest dwelling for amenity considerations; and the complete elimination of shadow flicker between wind turbines and neighbouring dwellings. A public consultation process was initiated on these proposed draft revisions to the guidelines, which ran until 21 February 2014. My Department received 7,500 submissions from members of the public during this process, which was a huge number indicating a phenomenal amount of interest.

It is intended that the revisions to the 2006 wind energy development guidelines will be finalised as soon as possible. In this regard, account has been taken of the extensive public consultation in framing the final guidelines. A phenomenal amount of work is involved. Further work is also advancing to develop technical appendices to assist planning authorities with the practical application of the noise measurement aspects of the wind guidelines, which is important. My Department is advancing work on the guidelines in conjunction with other Departments, principally the Department of Communications, Energy and Natural Resources.

The revisions to the wind energy development guidelines 2006, when finalised, will be issued under section 28 of the Planning and Development Act 2000, as amended. Planning authorities and, where applicable, An Bord Pleanála are required to have regard to guidelines issued under section 28 in the performance of their functions under the Planning Acts.

Deputy Brian Stanley: While I thank the Minister for his reply, unfortunately it does not tell me much. The consultation process was opened two years ago and closed ten months ago, and we still do not have sight of the regulations or guidelines. We would prefer regulations on the development of wind farms. Last year, I introduced a Bill on the development of wind farms setting out minimum setback distances and dealing with matters such as shadow flicker and noise. Although the Government did not oppose the Bill, it never came before the environment committee, which is disappointing. One issue is the delay. Wind farms are being developed apace without regulations. The other issue is the fact that there is no commitment to *pro rata* setback. The Minister said the guidelines would be produced as soon as possible. I have

been hearing this answer for more than a year. When is “as soon as possible”?

Deputy Alan Kelly: We received 7,500 submissions with much detail and it is a very technical area, as the Deputy will agree. We are developing technical appendices and my Department is doing a considerable volume of work. Technically complex work is being undertaken by Marshall Day Acoustics and others. In the finalisation of the guidelines, we must be cognisant of our 2020 renewable energy targets. In the three areas on which we have been concentrating, the area we have been left with and which we have had to close off is setback distance.

In the Deputy’s contribution to the climate change debate he argued for the recognition of targets and the need for more targets. We must all acknowledge the extent of the contribution wind energy will make. In this context, the Deputy would want to be cognisant that while we need strong, fair guidelines that will deliver, given the complex issue of the requirements of our 2020 targets and good planning, the most important issue is that we get it right rather than rushing it.

Deputy Brian Stanley: I am hearing procrastination. We are not reaching our goal quickly enough. Planning applications are rolling in and planning permission is being given for wind farm developments. There is concern about the setback distances of these giant turbines. In the midlands and in Laois-Offaly, which I represent, huge turbines are being constructed. Some of the Minister’s Labour Party colleagues are saying the Minister for Communications, Energy and Natural Resources, Deputy Alex White, is blocking the Minister. While Fine Gael is being blamed for other matters, in this case, the Ministers, Deputies Kelly and White, are being blamed. It is being reported in the newspaper that the Minister, Deputy White, as a Dublin representative, does not have much interest in this and is not overly concerned about giant turbines near people’s homes. Will there be *pro rata* setback based on height, or will there be a standard, statutory limit of 500 m or 600 m, which would be useless for the size of turbines being constructed in the midlands?

Deputy Alan Kelly: The Deputy probably needs to put down a question to the Minister for Communications, Energy and Natural Resources, Deputy White, to ask his opinions. Given that the Deputy has personalised this regarding my Labour Party colleagues-----

Deputy Brian Stanley: No, the Minister’s Labour Party colleagues are personalising it. It was in the press.

Deputy Alan Kelly: Will the Deputy let me answer the question? If he talks to my Labour Party colleagues, he will find there is not one iota of a difference between us on the issue. He should talk to the Deputies and Senators.

This is a complex issue. I am very strong on the need for proper, good planning guidelines. I am well aware of the issues, projections and the type of turbines that are being planned. While I feel the need to ensure we have proper planning guidelines on it, we also need to ensure we get it right. The analysis is ongoing and I expect it to come to fruition in the near future.

Housing Provision

3. **Deputy Mick Wallace** asked the Minister for the Environment, Community and Local Government his views on the unprecedented crisis in the Irish housing system, and the need for

a significant shift in policy in order to deal with it; if he will consider establishing a new State body to deliver a social, affordable and rental house building and refurbishment programme; and if he will make a statement on the matter. [38543/15]

Deputy Mick Wallace: We all accept that the primary objective of housing is to provide homes appropriate to need at an affordable price or rent. The policy of relying on private landlords to provide accommodation to vulnerable groups at a high cost to the Exchequer has been unwise and the Government should change direction. The Government is sourcing more than three quarters of social housing through the private sector. Does the Minister not think more housing should be built through local authorities directly by the Government?

Minister of State at the Department of the Environment, Community and Local Government (Deputy Paudie Coffey): A shortage of supply is at the heart of the current challenges in the housing sector and the Government is addressing this on a number of fronts. The Government's Construction 2020 strategy, published last year, is aimed at addressing issues in the property and construction sectors and ensuring any bottlenecks that might impede the sector in meeting residential and non-residential demand are addressed. My Department and a range of other Departments and agencies are actively implementing the range of commitments set out in the strategy. In addition, NAMA is aiming to deliver a target of 20,000 residential units before the end of 2020, with 90% of these units to be in the greater Dublin area.

The Social Housing Strategy 2020 sets out clear, measurable actions and targets to increase the supply of social housing, reform delivery arrangements and meet the housing needs of all households on the social housing list. Social housing has been prioritised by this Government and over €1.7 billion in Exchequer and local authority self funding was allocated to the social housing strategy between the 2015 and 2016 budgets, to support the provision of more than 33,000 units. The Government's capital plan goes beyond 2016 and commits €2.9 billion in capital funding towards social housing out to 2021.

In April 2015, we announced provisional funding allocations totalling €1.5 billion for all local authorities to meet an ambitious delivery target of 22,882 social housing units out to 2017. To date, €493 million has been allocated for the construction and acquisition of 2,900 units. Further project approvals will be announced in the near future. Establishing yet another body to deal with housing is neither necessary nor appropriate, particularly given the time and resources that would need to be diverted to such an endeavour. Therefore, I do not believe the establishment of yet another body to deal with housing is either necessary or appropriate, particularly given the time involved and the resources that would need to be diverted into such an endeavour. We require delivery on the ground. The funding has been allocated and the targets have been set. The bars have been set high. We need to see local authorities and approved housing bodies delivering with the funds that have been allocated. We also need to see the private sector contributing in a real way to the increase in supply that is so badly needed, as we all know.

Deputy Mick Wallace: It is not just about supply. The suggestion that it is all about supply is a false notion. There was no shortage of supply seven or eight years ago, but there were huge affordability problems and rents were very high. The Minister of State has told us that NAMA will build 20,000 units. I remind him that they will be built on lands paid for by the taxpayer through the NAMA process. Why, in God's name, are we not putting more social houses on these lands? Some 90% of this activity involves the provision of private housing. It has been estimated that each of these houses will be sold for approximately €300,000. Will the Minister of State explain how this will benefit the various groups of people who need a house in Ireland

today? No one on the social housing list can afford to buy a house at such a price. Many people in other categories cannot afford to pay €300,000 for a house. I have no problem with the 80% and 20% rules that have been laid down by the Central Bank, but I am not satisfied that the Government intends to supply enough social housing to meet the needs of those who cannot afford to buy in the private sector.

Deputy Paudie Coffey: The Deputy has asked a critical question. He is right to ask why we do not have more social housing. We do not have to go back too far to find the obvious answer, which is that local authorities have not been building social housing to the necessary extent for the past ten to 15 years. There was an over-dependence on Part V private development. When such development stopped, the dividend in the form of the delivery of social housing from that avenue also stopped. We are now addressing the problem in that regard. If the cash in lieu measure introduced by the previous Government which essentially allowed developers to pay cash rather than delivering on their social housing obligations had not been introduced some years ago we would have over 10,000 additional units that we do not have today. I am glad to say the Government has removed the cash in lieu obligation. The Deputy's main question was related to the establishment of another housing body to deliver housing. I am saying clearly to him that the local authorities are the housing authorities. The Department of the Environment, Community and Local Government is prioritising housing. The Minister, Deputy Alan Kelly, and I have allocated ring-fenced funding in our budgets. We are also working with the approved housing bodies. We are working with the private sector through public private partnerships and other avenues to deliver as many houses as possible. The simple establishment of another agency would not solve the problem. The angle being taken by the Government involves a multifaceted approach.

Deputy Alan Kelly: Well said.

Deputy Mick Wallace: I do not disagree for one minute with the suggestion that the last Government made a hames of Part V. However, Part V was not a substitute for the construction of housing by local authorities. Under Part V, fewer than 5,000 social housing units were delivered in 15 years. It was a non-entity. The Government is relying on the approved housing agencies and the rent supplement scheme.

On the philosophy of local authorities, I remind the Minister of State who has said the local authorities stopped building houses that this happened because central government stopped giving them the money to build them. Central government needs to fund local authorities in order that they can start building again. There are 3,600 people on the social housing waiting list in County Wexford. Fewer than 100 of the 760 houses to will be supplied in the next five years will be built by the council. Local authorities will still not build social housing. I insist that the housing crisis will continue until the Government changes its philosophy and decides to build social housing through the local authorities from scratch. It will not be done overnight, but it has to be started.

Deputy Paudie Coffey: I am happy to report to the Deputy that over 200 construction sites have been approved in various local authority areas throughout the country and more will be approved. In the next few weeks submissions will be made by the approved housing bodies with the support of local authorities. They will receive further approval for construction. As the Deputy knows from his background in this area, when construction projects are approved, they have to go through the Part 8 planning system. That process is already under way. They then have to be tendered for by contractors. Local authorities are reporting that many contractors

have been engaged. The works can then commence on site. We are starting to see them commencing. I have opened a few around the country, as has the Minister, Deputy Alan Kelly, and we expect to open more in the coming months. The Deputy is right when he suggests we cannot be over-dependent on a single sector. However, that is the problem we have inherited and are dealing with. By making legislative changes and providing additional budgets, we are trying to bring a multifaceted approach to the solution to this problem. I was at a meeting yesterday that was attended by Ministers from Northern Ireland, Scotland, England and Wales. They are experiencing the same problems that we are experiencing. They are looking at our strategy of developing innovative ways to deliver new housing as quickly as possible, for example, by using public private partnerships and working with approved housing bodies. The Deputy is right when he says this will not happen overnight. We are doing everything in our power to deliver housing as soon as possible.

Social and Affordable Housing Data

4. **Deputy Robert Troy** asked the Minister for the Environment, Community and Local Government his views on whether the 2015 to 2017 targets for capital and current funded social housing units under the social housing strategy 2020 are out of date, given that they are based on social housing waiting list applicant numbers from the housing needs assessment of 2013, rather than the numbers of local authority waiting list applicants for 2015; and if he will make a statement on the matter. [38546/15]

An Ceann Comhairle: Deputy Robert Troy is substituting for Deputy Barry Cowen.

Deputy Robert Troy: In the light of the unprecedented number of families on social housing waiting lists and the unprecedented number of people who are homeless, I ask for an update on the social provision targets for 2015. How many housing units have been commenced this year? How many housing units have been completed - fully constructed and occupied - so far this year?

Deputy Paudie Coffey: I thank the Deputy for his question which essentially relates to the whole social housing strategy, the targets for capital and current funding and the needs-based assessments carried out by the Government in 2013. The target in the 2020 social housing strategy is for 110,000 social housing units to be provided by means of a mixture of direct provision by local authorities and approved housing bodies and indirect provision through the private rental market, mainly utilising the housing assistance payment. This targeted provision will meet the needs of the 89,872 households nationally that were identified in the 2013 summary of social housing assessments as being qualified and in need of social housing support. There is some flexibility for increased demand. Some 46,584 households, or 52% of the those identified in the 2013 assessment, were found to be dependent on rent supplement, which was meant to be a short-term measure. Over time, the housing assistance payment will provide a more suitable solution for those on rent supplement with a long-term housing need.

In its analysis of the 2013 social housing assessments the Housing Agency concluded that 35,000 new social housing units would be required in the following five years. The social housing strategy which provides for the delivery of these units has been supported in successive budgets. Over €1.7 billion in Exchequer and local authority self-funding has been allocated between 2015 and 2016. The 2013 summary of assessments was compiled on foot of a rigorous and deep analysis which involved local authorities contacting individual households to

confirm their continued requirement and qualification for social housing support. It involved a comprehensive quality assurance exercise on the data, including the elimination of duplicate households. It is not methodologically sound to compare this comprehensive data collection exercise with a snapshot of housing need in a given county at a point in time in 2015, as the Deputy has done. I recognise that we need up-to-date and comprehensive data on housing need on an ongoing basis. To ensure we have such information, the strategy includes a commitment to undertake housing assessments on an annual basis from 2016 onwards.

Deputy Robert Troy: The Minister of State has not answered my question about what has been commenced and completed this year. He has spoken about what is happening in working towards the 2020 social housing strategy which I suggest is based on flawed figures from the 2013 report. It alludes to the presence of 90,000 people on housing waiting lists, but my colleague has discovered on foot of freedom of information requests he has submitted that there has been a 43% increase in the numbers on the lists. I suggest there are some 130,000 people on them. Just two rounds of funding have been announced so far this year and €39 million has been drawn down this year on foot of these two rounds. The Minister of State has suggested the Government is working towards a certain figure or target, but what is happening now? Some 3,000 voids are lying idle and there is a cap of 30,000 on voids. What is going to be done in that regard? There is a situation where-----

An Ceann Comhairle: I ask the Deputy to put his question as he is over time.

Deputy Robert Troy: The question remains the same. How many units have been commenced this year? How many will be completed this year through acquisitions, the refurbishment of voids or construction? Perhaps the Minister of State might answer this straightforward question.

Deputy Paudie Coffey: I can give a quick and straight answer on voids.

10 o'clock

More than 2,000 voids were turned around by local authorities last year and more than 1,000 will be turned around this year. At a meeting, the County and City Management Association, CCMA, which represents the heads of local authorities, assured the Minister and me that there would be few or no voids in their areas by the middle of next year. They are being provided with funding and we expect them to have those houses turned around efficiently. We have set them a target. They need to deliver.

The Government has been accused of using a flawed methodology in the housing need assessment. The Housing Agency, an independent body, was engaged to conduct a deep, research-based analysis in which direct contact was made with every applicant on the housing list. People's circumstances were assessed and reported accordingly. What the Fianna Fáil Opposition is proposing is a snapshot of housing lists around the country but that is flawed because some people have duplicate applications on different lists and others' circumstances are changing.

Deputy Troy asked a couple of questions. We expect to deliver approximately 7,500 social housing units this year. We have allocated more than €800 million this year across various housing programmes, for example, local authorities, approved housing bodies and public-private partnerships.

An Ceann Comhairle: I will allow the Minister of State back in later.

Deputy Paudie Coffey: Every avenue for delivering housing is being prioritised by the Government. Now, it is a matter of delivering on that. People must step up to the mark.

Deputy Robert Troy: Everyone must step up to the mark except the Government which states it is the fault of the councils and everyone else. It is actually this Government's fault. For the past four years, it has cut funding to local authorities.

Deputy Anthony Lawlor: This is more of it now.

Deputy Robert Troy: This is why they have not been in a position to construct houses and the Minister of State was not in a position to say that any house had been constructed this year. Local authorities have not been given the funding to do so. The Minister of State referred to making funds available for doing up voids but the Government cut that amount by €6 million in the past 12 months. There are 100 voids in Longford in my constituency. Given the process through which the Department makes local authorities go, they do not have the autonomy to work through their voids.

An Ceann Comhairle: A question, please.

Deputy Robert Troy: They must get the Department's approval at every stage. It is time the Minister of State realised that we have a crisis. Announcement after announcement or the Minister, Deputy Kelly, visiting Mullingar to open houses-----

An Ceann Comhairle: I am sorry, Deputy, but this is Question Time.

Deputy Robert Troy: -----that have been occupied for six months is no good. We want turf turned on the ground, houses constructed and voids addressed but none of that is happening.

Deputy Alan Kelly: Is the Deputy saying that we should not have given them the funding? Should we have given them nothing at all?

An Ceann Comhairle: This is Question Time. It is not for statements.

Deputy Paudie Coffey: We all agree that shouting, ranting and raving will not resolve the problem for any housing applicant. We need a delivery strategy. When the Minister and I took office last year, our first act was to secure adequate funding in the Department's budget to provide for an ambitious social housing strategy. More than €4 billion across five years will be provided. I have already outlined that more than 7,000 new units will be delivered this year. This figure includes direct builds and direct acquisitions by local authorities-----

Deputy Robert Troy: How many direct builds?

Deputy Paudie Coffey: -----because they are now being funded to buy houses where value for money can be achieved in areas of high demand. I urge the Deputy to ask his local authority about what it is doing with the funding that is being provided by the Government. I urge all Deputies to do likewise. Funding is not the problem. This is now a question of delivering the strategy.

As public representatives, we must all tackle a strange statistic.

An Ceann Comhairle: I am sorry but we must move on.

Deputy Paudie Coffey: The number of refusals of first offers of housing is too high. It has reached approximately 40% in some local authority areas. We must address this issue. Existing stock is being offered to people but more than 40% of them are refusing it.

Private Rented Accommodation Price Controls

5. **Deputy Brian Stanley** asked the Minister for the Environment, Community and Local Government the measures his Government is putting in place to deal with the problem of escalating rents in the private rental sector. [38589/15]

Deputy Brian Stanley: My question relates to the crisis in the private rental sector of the numbers becoming homeless and the families that are being squeezed out of private rented accommodation because of the lack of action on rent certainty or rent controls. We just discussed housing waiting lists. They are being added to by the day because, unlike other states, we do not have effective rent controls.

Deputy Alan Kelly: I thank the Deputy. A shortage of supply is at the heart of rising rents and the Government is addressing it on a number of fronts. Construction 2020 is aimed at dealing with issues in the property and construction sectors and ensuring that any bottleneck that might impede the sector in meeting demand is addressed. It is being worked through constantly. As the House knows, social housing has been prioritised by the Government, with more than €1.7 billion in Exchequer and local authority self-funding allocated to the social housing strategy between the 2015 and 2016 budgets to support the provision of more than 33,000 units. The €4 billion social housing package for the entire country is the largest in the history of the State. More than 200 sites are being developed.

The key to addressing upward pressure on rents is an increase in the supply of public and private housing. In 2014, the number of house completions was 11,016 nationally, an increase of 33% on the 2013 figure. The latest figures for new house completions show that 8,914 units were completed to the end of September 2015, up 14% on the corresponding figure for 2014. As announced in budget 2016, NAMA aims to deliver a target of 20,000 residential units before the end of 2020, with 90% of these to be in the greater Dublin area. This will be a positive contribution.

In addition to these measures, I continue to work on proposals that address the issue of rising rents. The level of increases in rent, particularly in the greater Dublin area and, to a lesser extent, Cork and Galway, presents a serious challenge. Any decision on this issue is a matter for the Government and it is my intention to bring proposals to same in the near future.

Deputy Brian Stanley: I thank the Minister for his reply but he sidestepped my question to some extent in that he blamed the problem of rising rents on supply. There is a plentiful supply of houses in County Laois where I live, given the number of properties lying vacant despite being value for money. The same applies in south County Kildare. I remind the Minister that rents did not collapse during the property boom when we were building 90,000 houses per year. In fact, they increased.

The flood of people becoming homeless has turned into a torrent. Many are being squeezed out. Rents have increased by more than 35% since the Government entered office. The Labour Party Minister reduced the threshold-----

An Ceann Comhairle: I am sorry but will the Deputy put a question, please? He has four seconds left.

Deputy Brian Stanley: -----for rent allowance as well as the amount of rent supplement. What effective measures will be taken? There are two problems, those being the limit for rent supplement, which-----

An Ceann Comhairle: I am sorry but other Deputies are waiting to ask their questions.

Deputy Brian Stanley: -----is too low, and the amount of rent allowance that is made available. What effective measures will be taken to stem the tide?

An Ceann Comhairle: I ask Members to stick to their time. It is unfair to other Deputies who come to the Chamber in the hope that they will be able to have their ordinary questions answered if too much time is taken up by Priority Questions.

Deputy Alan Kelly: It was strange to remark that supply was not the issue. Of course it is. If there is enough supply, people have options in the market and rents will not be as high. In the long term, the most important issue is private and public supply. We just discussed the social housing programme in detail. The €4 billion package will take four years to implement but it will help with supply. Construction is the only sector in the country that has not repaired itself. Once it has undergone that process, there will also be supply on the private side but it will take more time. The Government is considering a number of measures to address the lag in supply that will exist in the coming years. However, there are some-----

An Ceann Comhairle: I am sorry but we have gone over time. I will allow the Minister back in later.

Deputy Brian Stanley: A recent Simon Community survey found that no house was available for rent in the Portlaoise area within the rent limits set by the Government. Those are the facts. Some 90% of rents are above the limits set across the State and there is no house for rent in the Portlaoise area within those limits. The limit for a family of four is €480, with a portion allocated as rent allowance, depending on income. I checked those limits again this morning.

It seems like there is a blockage by vested interests. There have been widespread reports of the Minister and his Fine Gael colleague in Cabinet having a head-to-head on this.

An Ceann Comhairle: Would you mind putting a question, please?

Deputy Brian Stanley: There has been talk of Kalashnikovs and everything else.

Deputy Alan Kelly: The Deputy would know more about them than I would.

Deputy Anthony Lawlor: Does the army council know about it?

An Ceann Comhairle: Put the question as we are over time.

Deputy Brian Stanley: What is the Minister doing to remove these roadblocks if they are being erected by his Fine Gael colleagues?

An Ceann Comhairle: I ask the Minister to reply.

Deputy Brian Stanley: Will the Minister of State, Deputy Coffey, play his role in trying to

resolve the matter?

Deputy Paudie Coffey: We have a good package between us, so do not worry. It is more than what Sinn Féin is offering.

Deputy Brian Stanley: This is a serious problem.

An Ceann Comhairle: Resume your seat.

Deputy Brian Stanley: When will we see rent controls? The people on the street do not find this funny. It is serious.

An Ceann Comhairle: Did you hear me? Resume your seat.

Deputy Brian Stanley: It is very serious. When will we have rent control?

Deputy Paudie Coffey: The Deputy is playing games with his inflammatory language.

An Ceann Comhairle: This applies to the Deputy and the Ministers. Please stick to the allocated time. That is why we have clocks. They are not ornaments; they are for a purpose.

Deputy Alan Kelly: The Deputy's response was very ironic. There is no issue with vested interests in any form and I would not tolerate that in any way. I am not under the control of any form of vested interest.

A small percentage of landlords are trying to act in an unscrupulous way, which is unacceptable. However, we also need landlords to supply stock because we need a mixture of social and private housing. The issue is how we can ensure more supply and measures for the coming years while that supply is being put in place to ensure people believe there will not be unjust rent hikes.

An Ceann Comhairle: The Minister is over his time.

Deputy Alan Kelly: The Private Residential Tenancies Board is doing much work in the area and I presume the Deputy has seen the awareness campaigns.

Other Questions

Local Authority Housing Provision

6. **Deputy Paul Murphy** asked the Minister for the Environment, Community and Local Government his plans for local authority housing in the coming year; and if he will make a statement on the matter. [38323/15]

Deputy Paul Murphy: What are the Minister's plans for local authority housing in the coming year? What is the number of homes proposed to be built? Do those figures not badly contradict the notion that this will be the largest social housing programme in the history of the State, instead indicating that this is the usual approach of pretending to do something about a real crisis while being a completely inadequate response?

Deputy Alan Kelly: The Social Housing Strategy 2020 sets out clear, measurable actions and targets to increase the supply of social housing, reform delivery arrangements and meet the housing needs of all households on the housing list with flexibility to meet future demand. The strategy has been backed up by successive budgets, including this year, where social housing has been an absolute priority. Budget 2015 included a provision of almost €800 million to support a significant expansion in social housing provision, with more than 15,900 new units to be provided this year. Budget 2016 builds on the investment with an Exchequer provision of almost €811 million. In addition, local authorities will fund a range of housing services from their own resources to the value of over €112 million, bringing the total housing provision in 2016 to €923 million. The €4 billion strategy has been discussed numerous times in the House with regard to the targets in delivering 35,000 units through buying, building and leasing, with the balance of 75,000 to be delivered through the housing assistance payment, HAP, and the rental accommodation scheme, RAS.

The priority which this Government has shown to providing significant increases in the financial resources for social housing provides clear evidence of our commitment to make very substantial progress in addressing our social housing challenge. So far this year, this has allowed me to announce approximately €500 million in capital funding for local authority and approved housing body projects and I expect to make further announcements in the coming days and weeks. These projects will contribute to delivery in 2016 and when taken together with the broader range of housing programmes, I expect that over 17,000 housing units will be provided next year. In addition, preparatory work will continue in 2016 on further new innovative projects, such as advancing the provision of 500 new social housing units through a public-private partnership programme and an affordable housing pilot scheme. There are in excess of 200 sites at this time currently seeing construction for social housing projects.

Deputy Paul Murphy: Will the Minister go through those “over 17,000” houses and explain to people what they are? These are not over 17,000 local authority homes; 10,000 of them are transfers to housing assistance payment, meaning it is a simple transfer from the rent allowance scheme to HAP, with people remaining with private landlords. There are 3,000 units leased from developers and landlords, with 1,000 being transfers to RAS. From the 17,100, only 1,500 are new local authority units, approved housing body units or acquisitions. That is less than 9%, which is completely inadequate and a fraction of what would have been built in the course of the 1980s on a yearly basis, where there would have been 7,000 or 8,000 homes built. We have 130,000 families on the housing waiting list; it is a massive housing crisis. Why is there still a reliance on the private market to resolve this problem, dressing it up and pretending there is local authority investment instead of State investment to build homes?

Deputy Alan Kelly: I find the Deputy’s analysis perplexing, to be honest. Given our position, it is impossible to wave a magic wand and have houses built just like that. It is impossible.

Deputy Thomas P. Broughan: Jimmy Tully did it.

Deputy Alan Kelly: We are also building houses as quickly as we can. That is why over 200 sites are now seeing construction. The Deputy will be glad to know I will announce more in the coming days and weeks.

We must have a mixture of ways to help people find housing and these include construction and acquisition. In certain parts of the country, it clearly makes more sense to acquire vacant or empty houses. We also have one of the largest programmes to deal with voids ever seen,

as there were well in excess of 2,000 voids last year. The Deputy is aware that I have told all Dublin city local authorities, including managers and councillor delegations, some of whom the Deputy probably knows, that if they can use as many voids as possible in the city, I will provide funding for that.

Deputy Paul Murphy: I am not asking the Minister for a magic wand but rather a political commitment and a decision to build homes. We do not have that. This year, the number of homes due to be built or acquired was 1,400 and next year, it is 1,500. That is our great response to this housing crisis that has put politicians under so much pressure. That is a question of supply but because of an absence of units, with people forced into the private rental market, people are trapped and forced into homelessness because of massive spiralling rents.

A magic wand is not required but a political decision is required to implement rent controls. The Minister has been blocked and even his minimal version of rent control has been stopped by Fine Gael. The Labour Party is simply going to accept that the landlord and developer profits and NAMA's rehabilitation of developers will take precedence over the right of people to have homes.

Deputy Alan Kelly: I am still perplexed.

Deputy Paul Murphy: Read the figures.

Deputy Alan Kelly: It is not a case of reading the figures as I am aware of them. They are public anyway and we put targets on our website for every local authority in the State. We have to adopt the current measures, involving HAP, RAS, etc., in order to help people who the Deputy purports to support, and in fairness, I do as well. There is a lag involved with construction and we must have measures in order to deal with that. These are the collective measures.

There cannot be a one size fits all approach for all local authorities. I know the Deputy is Dublin-centric but in other parts of the country, it makes more sense to act in a different way because of the behaviour of previous administrations, particularly with regard to the privatisation of social housing. There are some cases of excess stock.

Deputy Thomas P. Broughan: Dublin people are in homeless accommodation. They are in emergency accommodation and the Minister is responsible.

An Ceann Comhairle: Deputy Broughan should stay quiet as others have questions to ask.

Deputy Thomas P. Broughan: I do not like people being called Dublin-centric. What kind of nonsense is that?

Deputy Paudie Coffey: Deputy Broughan should calm down. He is talking nonsense.

Deputy Thomas P. Broughan: Perhaps we need a Dublin Minister.

Deputy Alan Kelly: A Dublin Minister.

An Ceann Comhairle: I ask Deputy Broughan to have the manners-----

Deputy Thomas P. Broughan: We should have a Dublin Minister.

An Ceann Comhairle: Deputy Broughan, will you please have the manners to listen to other Deputies and let them put their questions? I have called Deputy Robert Troy.

Social and Affordable Housing Data

7. **Deputy Robert Troy** asked the Minister for the Environment, Community and Local Government the level of progress being made on social housing provision targets for 2015; the number of new social housing units that have been constructed to date; the number he expects will be constructed by the end 2015; and if he will make a statement on the matter. [38320/15]

Deputy Robert Troy: This question is related to Question No. 4. I am asking the Minister to outline the progress that has been made on the provision of social housing. I am not asking for the targets for 2020; I want to know exactly what has been achieved in 2015. The Minister referred earlier to there being a lag-time in construction projects, which I do not dispute. However, from 2007 to 2010, 14,000 houses were built, while, by contrast, between 2010 to 2014, 1,400 houses were constructed. Therein lies part of the problem.

(Deputy Paudie Coffey): In April, we set social housing targets for each local authority out to 2017, along with provisional funding allocations, which will see an investment totalling €1.5 billion to meet an ambitious delivery target of some 22,900 social housing units. The investment will be in a combination of building, buying and leasing schemes designed to accommodate more than 25% of those currently on local authority housing waiting lists. In line with those targets, the Minister and I kick-started a major social housing construction programme as part of announcements of new local authority and approved housing body projects in May and July of this year. These projects will see the delivery of more than 2,900 new housing units at a value of almost €0.5 billion, covering all 31 local authorities. We expect to be in a position to announce further approvals in the coming weeks.

Given the time lag between approval and delivery of construction projects, as we have discussed, the acquisition by local authorities of properties through turn-key developments and other purchases, as well as the remediation of vacant units or voids, are important components of social housing delivery this year. In 2014, we turned around more than 2,000 voids. The target for this year was 1,000, and we expect to exceed that substantially. We have called on local authorities to come forward with their voids programmes, for which they will receive the necessary funding. I cannot make it any clearer than that.

Provisional data, largely to the end of the third quarter of 2015, indicate that a total of 1,411 units have been delivered through my Department's capital programmes, including build schemes and acquisitions and through returning voids to productive use. A further 6,213 units have been delivered under the current expenditure programmes, namely, the social housing leasing initiative, the rental accommodation scheme, RAS, and the housing assistance payment, HAP, scheme.

Notwithstanding the pressures in accessing accommodation in the private market for social housing purposes, I am confident, on the basis of the progress already made and given the extent to which delivery is traditionally heavily concentrated in the latter part of the year, that the overall target of delivering some 15,900 units this year will be largely achieved. That figure includes the capital and current projects to which we have referred today.

Deputy Robert Troy: Earlier, the Minister of State indicated that 7,000 units would be delivered this year through the various methods.

Deputy Paudie Coffey: New units.

Deputy Robert Troy: Now he is saying 15,000 will be built this year.

Deputy Alan Kelly: Correct.

Deputy Robert Troy: I ask the Minister of State to take note of the information I am seeking. Will he quantify the number of new units that will be built in 2015? Will he indicate the number of units that will be purchased this year? Will he tell us the number of voids that will be restored by year end, and will he further indicate why he has set a lesser target for 2015 in this regard than was the case for 2014, even though there are still 3,000 units lying idle? Finally, will the Minister of State quantify the number of new leasing arrangements that will be in place by the end of the year? Changing from one scheme to another is not benefiting anybody; people are staying in the same accommodation but under a different scheme.

Deputy Paudie Coffey: The first point to emphasise is that we are taking a multifaceted approach on this issue. As I outlined, huge progress has been made in addressing the problem of voids. We are working closely with the approved housing bodies, with additional approvals to be given in the coming weeks. The local authorities are engaging in direct build activities and getting back to constructing homes. As the Minister indicated, there are more than 200 sites under construction around the country. I will be visiting one of them next week, in Banagher, where eight houses are ready to be occupied. Other projects are at various stages of progress in locations throughout the State.

The data show that by the third quarter of this year, more than 1,400 units had been delivered under the capital programme, including the build schemes. In addition to that, we have acquisitions and void restorations, as well as the progress being made under the HAP scheme and the RAS. The overall target for delivery across the country this year is 15,900 units, which includes the provision under current and capital spending, public private partnerships and every scheme we can access to provide homes for those who need them. I assure the Deputy that this issue is being treated with the highest priority by the Government. We are lifting every stone that can be lifted to ensure people are accommodated. We are working with every collaborator, including the social housing bodies, the private sector and the local authority, to ensure we deliver as many units as possible.

Deputy Robert Troy: I am aware of the multifaceted nature of the approach to this issue. I am simply asking that the Minister of State give me the figures for units delivered under the various schemes. He is talking about a target of 15,000 units this year but, at the same time, he acknowledges that only 1,400 were delivered by the end of the third quarter. I ask again that he quantify how many houses have been delivered to date under the various schemes. If the figure at the end of quarter three was 1,400, how does he expect to bring the total up to 15,000 in one quarter, bearing in mind that only €39 million of the allocated funding that was announced has been drawn down to date? Is the Minister of State satisfied that his target, under the multifaceted approach he has outlined, will be achieved by the end of the fourth quarter? I do not see how it can be in the light of the figures we have been given this morning.

Deputy Paudie Coffey: I repeat for the third time today that more than 7,500 units had been delivered by quarter three. We are now in quarter four. Funding has been allocated and the local authorities have been active in preparing their various plans for delivery, whether on voids, acquisitions or construction. We expect the final figure to be more than 15,000.

Deputy Robert Troy: Will the Minister of State quantify what has been done under the

various schemes?

Deputy Paudie Coffey: It is traditional that local authorities will work in the fourth quarter to spend their budget allocations. I agree that the targets we have set for them are ambitious. We expect them to be delivered because the local authorities are the housing authorities and the drivers of progress. They know where the need is and can prioritise the projects that are put forward to the Department. We are dependent on the local authorities to deliver on the ambitious targets we have given them and ensure the funding that has been allocated is used to accommodate the people on the housing list.

Deputy Robert Troy: The Minister of State did not answer my question.

Homelessness Strategy

8. **Deputy Thomas P. Broughan** asked the Minister for the Environment, Community and Local Government if he will report to Dáil Éireann on the implementation plan for the State's response to homelessness and the Government's action plan on homelessness; if he will outline the Government's achievements under both plans; if he will say how much remains to be achieved before the end of this Dáil; and if he will make a statement on the matter. [31708/15]

Deputy Thomas P. Broughan: We on the north side of Dublin have seen very few of the new units to which the Minister of State referred. Reference was made earlier to the 3,600 individuals on the Wexford housing list. We have almost double that number in Dublin Bay North. Among the 750 families in emergency accommodation are 1,600 children. The Minister has published the draft planning and development (urgent social housing supply) policy directive 2015, which deal with section 179 of the Planning and Development Acts 2000 to 2015 and Part 8 of the Planning and Development Regulations 2001 to 2015. Why was that not done 18 months ago?

(Deputy Alan Kelly): I am fully committed to dealing with homelessness. It is my top priority. I do not say that in any kind of glib way; I genuinely mean it. There is a necessity to focus on providing suitable emergency accommodation for families. The greatest concern is in respect of rough sleepers, which is particularly an issue in Dublin and other cities. Yesterday, I launched the Be Winter Ready programme, assisted by the excellent work of Cathal Morgan and his team in the Dublin Region Homeless Executive.

We have brought forward a number of comprehensive action plans to tackle homelessness. If the Deputy looks into it, he will see that virtually all of those plans have been executed and substantial progress has been made on their objectives. Progress updates on all the action plans are brought on a monthly basis to the Cabinet sub-committee on social policy and public service reform. Given the huge amount of work that is ongoing on a weekly and daily basis, I will not go through the 50 different actions. Many of them have been successful. The ministerial direction, which I presume the Deputy supported, in respect of the 50% increase in the allocations policy for people who are homeless or vulnerable has also been successful. I refer to the public awareness campaigns, the work being done by Threshold and the possibility of increasing rent supplement payments. Intercepting people who vulnerable is also working well. The changes to the housing assistance payment, HAP, in respect of homeless families in Dublin were necessary measures. Many different measures are required to meet the needs of people who are becoming homeless. Everybody who is homeless has complex needs, either at a personal level

or from an economic point of view.

Deputy Thomas P. Broughan: Housing is their first need.

An Ceann Comhairle: Deputy Broughan, on your feet, please.

Deputy Alan Kelly: We are putting together measures across a whole range of areas.

Deputy Thomas P. Broughan: I thank the Minister for his reply. The first need of people is housing. When will the Minister make an announcement in the House about rent certainty? When I called four years ago for rent controls that request was met with howls of protest from Fianna Fáil and, later on, from Fine Gael. The work of those two parties down through the years in relation to development and rent has been representative of landlord interests. That is the problem.

Deputy Bernard J. Durkan: Rubbish.

Deputy Thomas P. Broughan: That is the problem about the-----

Deputy Bernard J. Durkan: That is rubbish and Deputy Broughan knows it.

Deputy Thomas P. Broughan: That is the reality of Fianna Fáil and Fine Gael - the iron alliance.

An Ceann Comhairle: Sorry, Deputy, this is Question Time. Would you put your question?

Deputy Thomas P. Broughan: When can we expect an announcement on rent certainty? The Minister will be aware that Senator Aideen Hayden has done a lot of work with Threshold on this matter. When will he make an announcement on it?

The Minister did not respond to my question about the draft planning and development (urgent social housing supply) directive, which I read very carefully. Is that a direction to the county and city councils to get their act together and start delivering? Is that what that document is saying in relation to Part 8 and section 179 of the relevant planning legislation? The Minister should have issued that directive 18 months ago. On modular homes-----

An Ceann Comhairle: Sorry, Deputy, please allow the Minister to respond. I will let you back in.

Deputy Alan Kelly: I have firm conversations with all local authorities on a regular basis. I met with them only a couple of weeks ago and a couple of weeks prior to that. I met with all of the CEOs and, where necessary, their directors of housing. The Minister of State, Deputy Coffey, and, where necessary, the Minister of State, Deputy Ann Phelan, and I have met with the local authorities, to whom we emphasised that this is our number one priority. Provision of social housing and facilitating private housing where necessary, particularly in areas where there are real issues, is the number one priority. I cannot make it any clearer than that. I accept that we need to build houses. I am doing everything I can to have houses built. There is a planning process in place for a reason and it has to be adhered to.

Deputy Thomas P. Broughan: In relation to the directive which the Minister issued, which I am sure the Ceann Comhairle has also read, what are the implications of it? Approximately 18 months ago, on the final sitting day prior to the Dáil going into recess, we had a debate on hous-

ing policy, at which time the Minister could have taken the line of equipping the local authorities with the capital funding needed to launch a social housing programme. That is what the Minister's predecessor, the late Jimmy Tully, did when in office. As stated by Fintan O'Toole, during the poorest decades tens of thousands of local authorities homes were built. Like the Minister and, I am sure, other Members, I lived in a local authority home. They sustained our families. This is not being done now because of the influence of Fine Gael in government and the previous influence of Fianna Fáil in ending the social housing programme.

I attended the modular housing exhibition in the North Strand. The impression is being given that use of this housing is a stop-gap measure to address the needs of people in emergency housing accommodation. I was informed at that exhibition that these units have a life span of 60 years. Are we, in terms of the proposed use of this housing, creating another problem? We need tens of thousands of bricks and mortar homes. These homes were needed up to 18 months ago but, unfortunately, the Government has not delivered them.

Deputy Bernard J. Durkan: We needed them 15 years ago.

Deputy Thomas P. Broughan: There were needed 20 or 25 years ago.

Deputy Bernard J. Durkan: Where was the Deputy then?

Deputy Thomas P. Broughan: I was calling for them then too.

An Ceann Comhairle: We are over time on this question. We must move on.

Wind Energy Guidelines

9. **Deputy Anthony Lawlor** asked the Minister for the Environment, Community and Local Government when the wind energy development guidelines will be published. [38228/15]

Deputy Anthony Lawlor: Two years, along with 7,500 other people, I made a submission in relation to the wind energy guidelines. When will those guidelines be delivered?

Deputy Alan Kelly: I responded earlier to a similar question. In December 2013, my Department published proposed draft revisions to the noise, setback and shadow flicker aspects of the 2006 wind energy development guidelines. The draft revisions proposed the setting of a more stringent day and night noise limit of 40 decibels for future wind energy developments, a mandatory minimum setback of 500 m between a wind turbine and the nearest dwelling for amenity considerations, and the elimination of shadow flicker between wind turbines and neighbouring dwellings.

A public consultation process was initiated on these proposed draft revisions to the guidelines, which ran until 21 February 2014. My Department received submissions from 7,500 organisations and members of the public, including the Deputy, during this public consultation process. It is intended that the revisions to the 2006 wind energy development guidelines will be finalised as soon as possible. In this regard, account must be taken of the extensive response to the public consultation in framing the final guidelines. I can assure the Deputy that this had a large influence on the work that is being undertaken. Further work is also advancing to develop technical appendices to assist planning authorities with the practical application of the noise measurement aspects of the wind guidelines. There are many technical issues surrounding the

development and expansion of these types of turbines. My Department is advancing work on the guidelines in conjunction with the Department of Communications, Energy and Natural Resources.

The revisions to the wind energy development guidelines 2006, when finalised, will be issued under section 28 of the Planning and Development Act 2000, as amended. Planning authorities and, where applicable, An Bord Pleanála are required to have regard to guidelines issued under section 28 in the performance of their functions under the Planning Acts.

Deputy Anthony Lawlor: I have been asking this question for the past eight months, in response to which I continually get the same waffle from the Department. When will these guidelines be published? The 7,500 people who made submissions on the guidelines have been led up the garden path for the past 18 months. We need this decision to be made now. The aim of the Strategy for Renewable Energy 2012-2020 is to ensure best practice, planning and permitted procedures and coherence between environmental and renewable energy objectives. The strategy refers to willing public acceptance around environmental and other impacts and securing benefits for local communities. None of this has happened. A year and nine months later, the 7,500 people who made submissions on the guidelines are still waiting for them to be published. When will a decision be made to publish those guidelines?

Deputy Alan Kelly: I thank the Deputy for his supplementary question. This is an important issue and one in which I have taken a direct interest. The Minister of State, Deputy Coffey, and I have done a great deal of work on the matter. It is a technical area. I can assure the Deputy that virtually all of the work has been completed. Further work on the setback distance from a technical point of view remains to be completed. Once that work has been completed the guidelines, if supported by my Government colleagues in Fine Gael, will be published. They will be brought forward as quickly as possible within that framework.

We must be cognisant of the fact that I am the Minister with responsibility for planning. Through that process, I will issue guidelines that are best for planning. There are other Departments who have an interest in this issue for other reasons, including from an energy point of view in the context of our 2020 targets.

Deputy Anthony Lawlor: The Minister is a straight talker. Perhaps he would give me a straight answer to my question. I put the question to him in a manner which required him to respond with a likely date for publication of the guidelines rather than make a statement on the matter. As I said earlier, 7,500 people made submissions on the guidelines and they are waiting for them to be published. Current planning applications before An Bord Pleanála are being made on the basis of the 2006 guidelines. We have been waiting 18 months for the new guidelines. Can the Minister give a definite date for when they will be published?

Deputy Alan Kelly: It is a matter for Government when the guidelines will be published. The Deputy may want to refer that issue to his party leader and Taoiseach. When I talk about getting the mix right, I ask the Deputy to trust that I have executed all my work in relation to this topic. The majority of it is all done but there is a little technical issue that needs to be dealt with. When we speak about getting the balance right as regards ensuring that our requirements under the 2020 process are met, that is important too. My main focus is on planning and I have very definitive views on this issue as regards turbine heights, locations and so on.

Deputy Anthony Lawlor: Are they published?

Deputy Alan Kelly: They have to come through Government. They cannot unilaterally come through me; they have to come through Government. In relation to that mix, we have to ensure that every sector is covered and protected going into the future from an energy and a climate change point of view, particularly the agricultural sector, in which the Deputy has a keen interest, as have I.

NAMA Social Housing Provision

10. **Deputy Anthony Lawlor** asked the Minister for the Environment, Community and Local Government if he will contact each local authority to encourage them to engage with the National Asset Management Agency on lands within their portfolios which have planning permission granted or which are zoned and which could be used for social housing; his views on whether such a process would help to alleviate the current housing crisis; and if he will make a statement on the matter. [38229/15]

Deputy Anthony Lawlor: This question has arisen because there is much heated discussion taking place in regard to NAMA. What engagement has the Minister had with NAMA and local authorities given that NAMA has large tracts of land which have planning permission? It is incumbent on us to ensure local authorities have an opportunity to purchase these sites.

(Deputy Paudie Coffey): The Government has enabled and facilitated NAMA in playing an important role in the delivery of housing supply generally and social housing in particular. In that context NAMA affords public bodies first option on the acquisition of land and property required for demonstrable public purposes. NAMA is also funding the construction of new residential properties to help meet demand in the major urban centres. Last year, NAMA funded nearly 50% of new housing output in Dublin despite having less than one third of residentially zoned development land in Dublin. Since the start of 2014, NAMA has funded the construction of more than 2,000 new houses and apartments in the greater Dublin area.

In budget 2016, the Minister for Finance announced that NAMA, having carried out a review of residentially zoned sites under the control of its debtors and receivers, is aiming to fund the delivery of a target 20,000 additional new homes before the end of 2020. This is in addition to NAMA's ongoing and central role in facilitating the delivery of new commercial and residential space in the Dublin dockland's strategic development zone. Residential developments funded by NAMA are subject to the same planning and regulatory requirements as all other developments and this includes policy relating to social housing delivery as set out in local authority housing strategies in line with Part V of the Planning and Development Act 2000.

Given the vital importance of ensuring that for social and economic reasons new residential supply is delivered as quickly as possible, NAMA will work closely with local authorities and with utilities to ensure that all relevant bodies co-operate effectively to deliver the programme. In the context of social housing delivery in particular, NAMA has had ongoing engagement since December 2011 with my Department and the housing agency in identifying properties that might potentially be suitable for social housing purposes. To the end of September 2015, a total of 1,600 NAMA residential properties have been delivered for social housing use, comprising 1,241 completed properties and a further 359 that have been contracted and where completion work is ongoing. A further 486 properties are considered as being active transactions whereby terms are agreed or active negotiation is ongoing by all parties concerned. An additional 440 properties are to be further appraised. Overall, I expect that in excess of 2,000 units for social

housing purposes will be secured from the engagement with NAMA.

Deputy Anthony Lawlor: I thank the Minister of State for his reply. The issue that concerns me most is that local authorities in their engagement with NAMA may also be waiting for the developers who are working with NAMA to deliver on the 10% social and affordable housing. However, both Deputy Bernard Durkan, who is well known in the Kildare area, and I, are aware of a number of sites in NAMA that have planning permission and that the local authorities appear reluctant to engage with NAMA on the purchase of. While the announcements made by the Minister in recent months are welcome, they concern sites that do not have planning permission and we have to go through the Part 8 process, whereas I am identifying sites that have planning permission and are in NAMA and could be taken up straight away and built on for social and affordable housing, as in the past. This would enable individuals on the housing list to get housing or those who are in a position to do so to purchase houses through a local tenant purchase scheme.

Deputy Paudie Coffey: As announced on budget day, the Minister for Finance, Deputy Michael Noonan, has asked NAMA to carry out an analysis of development sites controlled by its debtors and receivers with a view to identifying the scope for residential delivery for the period up to 2020. It is important to note that its target of 20,000 residential units by the end of 2020 estimates that 90% of that will be in the greater Dublin area, which includes Dublin, Meath, Kildare and Wicklow. Given the vital importance of ensuring that for social and economic reasons new residential supply is delivered as quickly as is feasible, NAMA will work closely with local authorities and the utilities to ensure all the relevant bodies co-operate effectively to deliver on this programme.

Deputy Anthony Lawlor: Just a quick-----

An Ceann Comhairle: If the Deputy does not mind, I want to call Deputy Mulherin, as she has been sitting here for an hour and the Deputy's time is up.

Deputy Anthony Lawlor: I accept that. Will the Minister of State communicate with the local authorities on this issue?

An Ceann Comhairle: Yes, I am sure he will.

Deputy Alan Kelly: I am aware of Deputy Mulherin's question.

An Ceann Comhairle: Sorry, will the Minister of State please reply to Deputy Lawlor? Is it yes or no?

Deputy Paudie Coffey: There is ongoing engagement. We will incur further deeper engagement because it is in everyone's interest that we deliver as many housing units as possible.

Water and Sewerage Schemes Funding

11. **Deputy Michelle Mulherin** asked the Minister for the Environment, Community and Local Government when he plans to implement the recommendations of the national rural water services committee and provide a special funding mechanism to grant aid new group water schemes which were in the pipeline for delivery in certain disadvantaged rural areas but which lost out upon the cessation of CLÁR funding and which, under current funding rules,

are not viable for delivery because of funding shortfalls, leaving affected households without a proper water supply and in limbo for a number of years, and in the case of County Mayo, the current rules mean that none of the 2015 grants of €400,000 from his Department can be spent. [37237/15]

Deputy Michelle Mulherin: I have raised this issue on a number of occasions. I understand it is progressing. Can provision be made for the 235 families and households in County Mayo in seven areas - Massbrook, Aghaloonteen, Downpatrick Head, Carracastle, Kilmurray, Tonacrick and Fermoy - who have water they can neither drink, bathe in nor wash clothes in?

Deputy Alan Kelly: This question concerns the CLÁR areas. I have taken up this issue on numerous occasions in respect of former CLÁR funding in these areas. I have written to the Department of Public Expenditure and Reform to try to get some progress and finality on it and I await a reply. I expect to have a reply, which I hope will be favourable, in the coming days.

Deputy Michelle Mulherin: As my question states, a budget of €400,000 under the rural water block grant has been provided to create new rural group water schemes but we cannot spend one red cent of it in County Mayo and we could not spend any money this year due to the current rules. I commend the fact that the Minister and his predecessor charged the national rural water services committee to look at this issue. It is a question of funding. I wish to make two final points. It is quantifiable in the sense that these schemes have been in limbo since the cessation of CLÁR funding so this will not be a future multi-annual commitment. There is a quantifiable number of schemes and these people are willing to pay for water. Does that not mean something? These people have spent thousands of euro trying to drill wells and pay for group water schemes, and they have companies in place. One scheme has spent €36,000 of the local people's own money and they are still without a water supply. It makes ridiculous much of what we see here where people can turn a tap and get water which they can drink, bathe in and are not afraid to give to their children or people who are sick and take it all for granted. On the last occasion I told the Minister of State, Deputy Ann Phelan, that a lady telephoned me to say she was sick and cannot have anything whatsoever to do with the water. She asked if I would tell the Minister she had a cheque to pay for the water and asked if he would do something for her once and for all. This is a critical issue and it will be ridiculous if Mayo County Council has to send back money.

Deputy Alan Kelly: I concur. These are the people we need to support actively and look at ways in which this can be done. There is a working group in place. If we can make some changes in order to help facilitate those people, about whom the Deputy is quite rightly passionate, I will do so. I think we have made progress on it. The issue has been referred from my Department to the Department of Public Expenditure and Reform. Our work has been concluded. When I have news on that I will contact the Deputy directly.

Written Answers follow Adjournment.

Finance Bill 2015: Second Stage (Resumed)

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

Deputy Michael Fitzmaurice: New ideas may be required to deal with the housing crisis. Third level colleges have a lot of land, especially those around Dublin, on which they could

be well able to build proper accommodation, be it apartments or whatever else. This could act as a money stream for them and alleviate the problems and pressure of the housing crisis. We may have to think outside the box, as the usual way of dealing with this problem might not be enough.

Significant amounts of funds are available for the road network repairs. Plans for the Moycullen and Tuam-Gort bypasses are well advanced. I have not heard about the Strokestown bypass project coming on stream as it involves the N4. Sadly, however, in 2011, the west was taken out of the allocation of core funding for TEN-T, trans-European transport networks. It is intended to make Shannon Foynes Port a deep sea port, which is a welcome development. There are, however, structural deficits in the west which has significant tourism potential. If we are to exploit it, the necessary road network and other transport infrastructure will need to be in place. Knock airport needs core funding that would help to ensure we would have balanced regional development. With the number of problems we have in Dublin, if we keep driving everything into Dublin, there will be larger problems.

Acting Chairman (Deputy Liam Twomey): Deputy Seán Kyne is sharing time with Deputy Pat Breen.

Deputy Seán Kyne: As I said yesterday in the debate on the Social Welfare Bill, when the Government took office in 2011, we were in a much different position. Then, the Finance Bill 2012 was about cutbacks and reductions in services. While there were positives at the time for the tourism sector, the potential and options for investment were much more limited than they are now. It is great to be in a position where we can start giving back and putting money back into people's pockets. It is not by accident that this has happened. It has happened because of the decisions of the Government, including the Minister for Finance and the Taoiseach, and the sacrifices made by the people. There has been a clear strategy to turn the country around.

The Finance Bill 2015 contains significant measures which will improve the financial position of workers, pensioners and families across the country. Several sections of the Bill will ensure every worker in the country will see an increase in his or her take-home pay and pension from January. Section 2 gives effect to the budget announcements on the universal social charge, USC. The Bill will again reduce it, continuing the work started last year. It will exempt those on annual incomes of €13,000 or less. Income to €12,012 will incur a reduced rate of 1%, down from 1.5%. Income from €12,012 to €18,868 will incur a rate of 3%, down from 3.5%, while income from €18,669 to €70,044 will be charged at a rate of 5.5%, down from 7%. USC is very much a despised tax which was introduced in emergency times. While the emergency is not over, we are coming out of it. Workers and pensioners have clearly illustrated to backbenchers their desire to see a change. We brought this view to the Minister for Finance who, thankfully, is in a position to act on it. It is a positive change which people will see in their pay packets and pensions from January 2016.

With a general election approaching, it is important that the taxation plans of Opposition parties be scrutinised because they are the policies which Fianna Fáil, Sinn Féin and others will pursue if elected. Fine Gael's measures to cut USC rates, as well as the increases in the thresholds for USC and inheritance tax, are in stark contrast to the Opposition's plans. Sinn Féin wants to see a top rate of tax of 58%, an increase in employer's PRSI, which would make job creation more difficult, and an increase in inheritance tax. With it, there would be no cut in USC for anyone earning more than €19,500. Fianna Fáil's budget plans show that it is against the Government's tax cuts, instead preferring a top rate of tax of 52%. Fianna Fáil introduced

USC in budget 2011, hitting anyone who earned over €4,000. Its proposed changes to USC bands would not benefit anyone earning over €21,000.

Section 3 which proposes an earned income tax credit is progressive. During the difficult economic times many business owners worked without taking a wage for themselves. This was to help to ensure the survival of the business, but it was exceptionally tough on the owners of small and medium-sized enterprises, SMEs. It must be remembered that SMEs are responsible for two thirds of all the jobs created since 2012. The tax system has not treated PAYE workers and the self-employed equally. This disparity is unfair. Fine Gael and the Labour Party are taking steps to equalise the tax system. The €550 earned income tax credit will benefit self-employed persons such as local business owners and farmers. It is a first step towards equalisation and Fine Gael is committed to extending it in coming budgets, if returned to government.

The treatment of the self-employed and the social welfare and disability benefits they receive need to be examined. The Tánaiste and Minister for Social Protection, Deputy Joan Burton, has taken steps in that regard in terms of stamp A contributions. This is a welcome development which should be rolled out further.

Another welcome measure which will help local businesses and stimulate job retention and creation is section 33. It reduces the rate of capital gains tax from 33% to 20% up to a value of €1 million where a business owner sells the business. It is a practical measure which will incentivise the retention of a business as a going concern.

Section 28 will extend until December 2018 the three-year corporation tax relief for start-up companies which was due to expire in December this year. This measure exempts start-up companies from corporation tax for the first three years of trading. The early years in business are often the most challenging and this measure will continue to provide support for important start-up companies, boosting their chances of success.

The financial turbulence of recent years meant difficult choices had to be made which included revenue-raising measures, one of which was the raising of the threshold value for transferrals such as the inheritance of a home. The impact of this measure was mitigated by falling house prices.

11 o'clock

However, house prices have risen. It was never the intention of the Government that an ordinary home being passed to a son or daughter would be subject to a higher rate. Therefore, section 64 and the decision to increase the threshold from €225,000 to €280,000 is very welcome. It is a measure which will benefit numerous families across my constituency and the country.

Another issue that has been brought to my attention although it probably affects only a small number of people are sections 77 to 80 dealing with the disabled drivers' fuel grant. I received a communication from individuals regarding this grant and its impact. A volunteer from the Galway Visually Impaired Activity Club who drives people who are visually impaired contacted me. The van is registered in the name of the chairperson of that club, who is visually impaired. Until now, it was taxed as a commercial van, with an annual road tax of €333. Recently he was told the van could no longer be taxed as a commercial vehicle as he did not have a business. The club is considered more akin to a charity. The lady in the tax office did her best to see if there was any way around this but the road tax bill increased to €1,080.

Revenue wrote to the club to say that the relevant legislation governing the scheme is contained in section 92 of the Finance Act 1992, as amended, and statutory instrument No. 353 of 1994, Disabled Drivers and Disabled Passengers (Tax Concessions) Regulations 1994. It said that a fundamental requirement is that the organisation must qualify for the scheme and that a qualifying organisation means a philanthropic organisation that is not funded primarily by the State and which is chiefly engaged in a voluntary capacity, which this is. Revenue said the legislation does not provide tax relief on vehicles used to transport persons with any disability other than those laid down in regulation No. 3. In general, these include persons who are without the use of their hands, arms or legs or have the medical condition of dwarfism. It does not include the visually impaired. This is something that could be examined with the possibility of helping the group in Galway reduce its road tax. The group is involved in transporting people and a reduction in the road tax would be of great benefit.

The news in this Finance Bill is more positive than it has been in the past as is the capital expenditure side of the Budget Statement of the Minister for Public Expenditure and Reform. We have seen choices made to invest, including investment in our public services. We saw teachers being recruited last year and again this year, which is welcome. The huge challenges of demographic pressures are evident, in particular in our health services. We have chosen to give something back to the hard-pressed taxpayer and pensioners as well as improving services. This is not by accident but as a result of the decisions made and the sacrifices of the people. I welcome the Bill and hope the Minister for Finance is around for future Finance Bills to ensure the progression of these measures and the continuity of the economic recovery of the past number of years. I welcome the specific measures in this Bill which have improved people's situations.

I thank the Minister for Finance for the changes in respect of the commercial road tax. The issue has been highlighted for a number of years by people who have been under pressure. Companies were being registered in the North and the State was probably losing taxes but it was also driving business and jobs outside the country. I welcome the proactive and pro-business measures in respect of the commercial road tax changes.

Deputy Pat Breen: I welcome the opportunity to contribute on the debate on the Finance Bill. This is the last Finance Bill before the general election and I pay tribute to the outgoing Minister for Finance for his stewardship of the Department. He has played a central role in driving our economic transformation. He pursued policies that restored sustainability to our public finances, improved our competitiveness and enhanced job creation. It is no accident that we are currently the fastest growing economy in Europe and I commend the Minister for his dedication and work in the finance portfolio.

We must continue to build on the progress that has already been achieved by adopting policies that will continue to support the prudent management of the public finances while at the same time ensuring the economic impact of the recovery is shared with the ordinary men and women who have made sacrifices to get this country back on its feet. The first step was to reduce the universal social charge rates which will make a significant difference for people, especially low and middle-income earners. For the first time in six years, the tax rate will fall below 50% and more than 700,000 of the lowest paid workers will be exempt from the universal social charge in January. Those on lower incomes and the squeezed middle, as they are often described, have suffered during the crisis and reducing their tax liabilities is the best way of putting money back in their pockets. This is probably just the beginning. If we are re-elected, the next Government will continue to make those reductions.

I speak to working families every week as they face the struggle in day to day life. I do not understand our colleagues in Sinn Féin. They do not want to see cuts to the universal social charge. Lower tax rates will strengthen job creation and consumer sentiment. When a tax change increases a worker's take home pay, the worker has more disposable income which ultimately generates jobs in the economy.

Many of the additional jobs created are in small businesses. Small and medium enterprises are key to delivering jobs, in particular in rural areas. It is important to support these SMEs. I welcome the introduction of the earned income credit of €550 which will apply for self-employed persons and the Minister's commitment to bridge the gap in tax treatment for the self-employed. There are more than 300,000 self-employed taxpayers who did not receive a PAYE tax credit for whom this new credit is extremely important. Some 99% of all active business enterprises in Ireland are small and medium sized according to the CSO figures for 2012. There are 185,000 people active in SMEs, employing 68% of the workforce and generating half the State's annual turnover. Last year, 202 extra jobs were created in small businesses in County Clare through the support of the local enterprise office. The sector is valuable and important in County Clare.

We saw the retention of the 9% VAT rate and the abolition of the air travel tax. It is important to continue to highlight these measures as they are important year on year to the growth of the tourism industry. We have supported The Gathering and the Wild Atlantic Way, which resulted in significant growth in our tourism industry after years of stagnation. It is estimated that last year overseas tourism delivered €4.7 billion to the economy. One of the greatest success stories for the communities stretching along north Clare and the west Clare coastline has been the Wild Atlantic Way. Tourists are being driven into areas which had previously been unnoticed. The opening of the lighthouse at Loop Head was a wonderful addition for tourism in the area. More than 30,000 people visited Loop Head last year. This has been a boost for the hotels, restaurants and providers of bed and breakfast accommodation. New businesses have sprung up in the area. The new heritage trail from Kilkee to Loop Head won a huge award yesterday in London and congratulations are very much due to everyone concerned. It is a 69 km heritage trail that takes in 14 local attractions along the route. Well done to all the local stakeholders because this will pay dividends in the future.

Another area which is making an enormous contribution is the agriculture industry. Bord Bia estimates that our food and beverage exports for 2014 have reached over €10 billion. Exports have increased by 45% since 2009. This is very important because we export 70% to 80% of what we produce. Farming is extremely important in County Clare, as is the food and drink industry. Farming supports thousands of jobs, both directly and indirectly, so it is critical that we support farmers.

The agri-taxation measures included in the Bill are welcome. The new self-employed tax credit of €550 is welcome for farmers, but I am particularly happy with the introduction of a range of agri-taxation measures which will encourage young farmers back into the industry. The stock relief for young trained farmers and the stamp duty exemption for young trained farmers has been extended for a further three years. The family transfer partnership initiative is especially welcome. This will allow established farmers who wish to pass on their farm to the next generation to form a succession farm partnership. It will require that 80% of the land is passed on to the next generation within ten years and a tax credit of over €5,000 per annum will be available to split between both partners. The transfer of land to the next generation is a complex matter, as Members from rural areas are aware, but it is extremely important for sus-

taining the agricultural sector. We must encourage young farmers and I believe this initiative will help in that regard. It provides parents with a guaranteed tax relief within the agreed period of transferring and allows young farmers to share in the farm profits as well.

Sections 77 to 80, inclusive, relate to the disabled drivers' fuel grant. My colleague, Deputy Kyne, referred to it earlier. Provision is being made for the payment of fuel grant to replace the excise repayment scheme, which was ruled incompatible with the EU energy tax initiatives. The Minister for Finance, following consultation with the Minister for Health, will outline the regulations, including the eligibility criteria. Broadening the issue is important. The eligibility criteria in the regulations for the disabled drivers and disabled passengers tax concessions scheme should be reviewed. I have dealt with a number of cases in my office in Ennis involving people who have applied for the primary medical certificate and have been refused it on appeal because of the strict medical criteria laid down in the current regulations. In one case, for example, the person had suffered a stroke and had lost the use of one leg. He has sustained repeated falls and needs a specially adapted car and scooter to help him get around, but his application has been refused. However, if he could not use both legs, he would qualify. The current regulations are very strict and do not facilitate people with such a disability who need to drive. Consideration should be given to that. I ask the Minister to re-examine the eligibility criteria for the scheme.

I could discuss several other aspects of the Bill, but time does not permit me to do so. The scheme for accelerated capital allowances to stimulate aviation-related activity came into effect on the night of the budget. That will encourage the construction of certain aviation-specific facilities, which is a welcome boost for Shannon Airport. There is significant interest from aviation-related investors in Shannon at present. A sum of €21 million is being invested in phase one of a major refurbishment of the Shannon Free Zone, which will enhance the region as an attractive location for aviation-related business. That is very important. There is a shortage of open office spaces. If those were in place, it would attract many foreign direct investors to the area. The Shannon Free Zone was built in the 1960s and was built for light engineering and manufacturing. However, the type of job being created in this country now is very different from the type of job that existed in the past. They are in the life sciences, research and development and aviation-related industries. We want those jobs and we must have the office space for them.

I could say a great deal more but my time is concluded. I commend the Bill and I thank the Minister for his ongoing work.

Deputy John McGuinness: First, I compliment the Minister on the work he has been doing in the Department since his appointment. His experience and steady hand have helped in many ways to convey policy and to give people an understanding that the issues that were created and had to be addressed were being dealt with by somebody who had an experience of life and of politics that would lend itself to the proper thought-out policy that was required at a difficult time for this country.

I am also glad the Minister is present this morning to hear some of the contributions from Members. I will take advantage of my speaking time to raise a number of matters relevant to the remit of the Committee of Public Accounts, given that the Minister is an influential member of the Cabinet and a former chairman of that committee. It is strange to watch that committee in action and to see fantastic amounts of money being accounted for every Thursday in a way that clearly proves inefficiencies in Departments and agencies, poor value for money being

achieved on behalf of the taxpayer and huge losses of money. The money appears to be unaccounted for.

I recall that when the Minister was Chairman of the Committee of Public Accounts we discussed the Local Government Audit Service. I continue to ask that the Local Government Audit Service and the Office of the Comptroller and Auditor General be amalgamated, to ensure a single organisation within government administration has the power, expertise and necessary skills base to conduct the required forensic examination of accounts across the board and right down to the point where the taxpayers' money is spent. Similar arrangements are in place in other countries. I cannot understand why it cannot be done here.

There is a certain cynicism at play when one looks at the workings of government and the Committee of Public Accounts. When one is in opposition everything is demanded, such as what I am saying now. However, I supported that demand when my party was in government. I stress again that if that amalgamation were to take place, it would create a situation where, perhaps, less money was lost and greater efficiencies and accountability were achieved. If that happened, the Minister for Finance would not have to go to the current extremes to collect the taxes, because he might not need as many taxes if they were not wasted.

My other issue is what happens when we create an agency such as Irish Water. A total of €2.6 billion of taxpayers' money will go to Irish Water in funding and loans from the time of its establishment to the end of 2016. These are not my figures; they come from the Comptroller and Auditor General. However, the Comptroller and Auditor General does not audit those accounts. That is extremely disturbing in a State that requires better administration and a better audit system. Will the Minister ask the Cabinet to consider bringing Irish Water under the remit of the Comptroller and Auditor General? I cannot see anything wrong with that, even if it were to be for the period until it goes off balance sheet. Incidentally, I believe that to be a nonsense because ultimately the taxpayer is still on the hook for much of this money.

They are my two suggestions. At one time local government was spending €4 billion of Irish taxpayers' money without a complete audit service being put in place in terms of the Comptroller and Auditor General. It would make great sense and achieve value for money and greater efficiency if the two organisations I mentioned were amalgamated. There is no reason that it should not or cannot happen, other than the nonsense of a Department fighting over a piece of turf and a position that is dated and requires reform. The Government was elected on the basis of reform.

I turn to the budget for Departments in terms of the SME sector. Procurement accounts for approximately €9 billion in this country. Time and again I have made the case to the Department of Public Expenditure and Reform that in many instances its procurement processes are not working. To take the stationery procurement process, the buying of equipment is just not working and is actually causing small businesses to go out of business. We recently had a number of submissions from those affected by that process. Instead of that €9 billion filtering down to the small businesses throughout the country, it is causing those businesses to close. When that happens, there should be an immediate turnaround by the Government to ensure corrective measures are taken.

To take the case of the HSE, it is now subjected to €9 million of compensation claims. We are told that the small businesses that were not paid on time, which is why the €9 million in compensation applies, would be entitled to claim the €9 million, but the HSE is refusing to

compensate those businesses. It is turning to its legal advisers while the Comptroller and Auditor General is turning to its legal advice in regard to the process and yet the €9 million that is due to the SMEs is not being given to them.

The budget did not do enough for the SME sector. I acknowledge what the Minister did in regard to the road haulage industry, given my background is in that industry. A significant change to the industry's cost base will be incurred because of what the Minister did, and the businesses that are affected are thankful the Government has finally acknowledged it in the context of this budget. If it is provided properly, that should filter down because everyone uses road haulage and the small parcel service, and, at the end of the day, it should affect the bottom line of those companies and their ability to deliver.

I also want to refer to the other small businesses, in particular microbusinesses. When we speak about business in the House, it is generally in regard to Enterprise Ireland or IDA clients, although there is some discussion in regard to the LEOs and how they are now replacing the county enterprise boards. An awful lot more could have been done for that small business sector in this budget. The companies in that sector are looking at things that affect their cost base and their profitability but which they have no control over. For example, the insurance business is spiralling out of control and its cost to small businesses is doubling but nothing is being done about it. The Government will have to intervene because businesses cannot carry the burden of that cost.

Commercial rates is another area and it is a cost that has been spoken about in this House from one Administration to the other. It is a burden of tax that businesses find it difficult to pay because, as they adjust the costs that they are able to adjust, the one single cost they cannot touch is commercial rates. At the same time, it is a cost that does not give them as much as it used to give. When I originally paid commercial rates on my business, it covered the collection of waste, water and all sorts of other services from the council. Now, all of these services are separate but the rateable valuation of the properties and the rate applied by the local authorities continues to go up.

We are now speaking about equalisation, with one administration amalgamated with the other, in trying to form a base where everyone will be equal. However, it will be extremely difficult for businesses to subscribe to that because they are subscribing to an unfair tax system in any case. Somebody has to grasp that nettle. I would have hoped, given the majority the Government has, that it could have insisted on the Valuation Office bringing in legislation to have self-assessment put in place where the properties could be self-assessed. We can penalise those who have massaged the figures in some way, if that were to be the case, and there would be a penalty. However, for God's sake, let us give small businesses a chance.

The tax relief for refurbishing pre-1914 properties is not having any effect on the high streets and villages of this country. They are not experiencing the upturn and, in fact, they are now so far behind that it will take a considerable amount of money for them to refurbish their properties because they are probably carrying legacy debt as well, and it will cost them a considerable amount to bring themselves back up to simply being in the game. As a result, high streets and small villages throughout the counties are badly affected. The pubs, banks and convenience stores are gone and many post offices are under threat, whether as a result of Government policy or simply as a matter of turnover, with people voting with their feet and purchasing their services elsewhere. The banks are also gone. The villages are struggling to get footfall and it is impossible for them to do business but nothing in this budget will give them the relief that is

necessary to achieve what they want. For example, someone may want to pass on a family business from one generation to another but it will be closed before the next generation picks it up.

That is unfortunate because we are a country of small businesses and of budding entrepreneurs who want to make it in the technology sector. We have seen it with regard to the Web Summit. I am deeply disappointed at what has happened in that regard. It disturbs me to see a Government Minister say, "Give us the money back". We need to maintain the positive profile of this country in regard to the Web Summit, to information technology and to what the future holds in terms of job prospects for the young entrepreneurs involved in that area. Something much more positive needs to be done. We should not just leave it at the departure of not only the Web Summit but of other associated companies that are based in Ireland and employ people here but that are now leaving.

Why not ask those involved to meet a sub-committee of the Cabinet to talk about this? I know from trade abroad that they look to Ireland for innovation and creativity, and for a picture of the future as we see it in technology terms. If we lose the basis of all of that and if we lose the core of interest that creates a young entrepreneur who will create the next big deal in the world of IT, we will damage that profile. I think we have been damaged already in regard to the departure of the Web Summit. Forget who said what to who and who got the money. Let us stop that debate, intervene and say we are interested. Let us see how we can rebuild that relationship and get the Web Summit back on track. It is vital to the future of this country and to the future of young people who will work as entrepreneurs from this country. It will add to the trade this sector is doing abroad in many difficult markets and will influence the input of Irish businesspeople to huge projects in lands where we would never have been involved in trade before. It is essential that we take steps in this regard.

I want to touch on the issue of the Revenue Commissioners. I agree Revenue has a difficult job to do and I agree with many of its approaches. However, something has to be said about how we approach taxes, penalties and interest. I have no truck with those who avoid tax and attempt to do so blatantly. However, I have sympathy for someone who is caught with all of these penalties and interest during the payment of tax, whether the property tax or any of the other mainstream taxes. Something has to be done to give a softer side to Revenue for those people, to give them some hope of being able to finish paying their bills and paying their way but not in the same draconian way that is applied in the context of penalties and interest. I firmly believe this should be done.

This could also be said in regard to the issue of Airbnb. Let us find some way of dealing with the issue that is sympathetic both to those who were legitimately trying to make some extra money and also to the taxation system. That is the way it should work. I appeal to the Minister to look at that issue, when it is being sorted out.

Another issue that has come across my desk is that of ESB pensions. Surely, with some imagination, a solution could be found for the pensioners involved who are suffering because they are not in receipt of a full pension. The 2012 Act could be revisited to consider the responsibility of companies to deal with their employees and retirees in a fairer way.

I suggest that because we are going down the road of stealth taxes - we now have water and road taxes and so on - we need to take people's incomes into consideration. The old age pension is to be increased by €3. However, it may come as a surprise to the Minister that, in the context of the equalisation of rents, local authorities are considering increasing rent payments

for pensioners by €3. The Minister is giving with one hand, but the State is taking back with the other. If he introduces legislation which includes a measure on fuel, it has an immediate impact on the older population because of their limited income. They have no way of improving their income, but they are still taxed. We should be fairer to them. We need to aim to have a fairer society. Allowing local authorities to take back what the Minister has just given to pensioners is nonsensical and does not improve their lot.

Despite the bad times, local authorities will also continue to increase commercial rates. This does not make sense. There is little service from local authorities, but there has been no significant drop in staff numbers, although they are handing over responsibility for housing services and outsourcing refuse collection services. Nothing much has changed; the *status quo* remains. This must change.

I welcome the Minister's position on the 9% VAT rate, which has been a success story. However, what about looking at small builders who complete extensions and who want to get back into the game? What about giving them some relief through the VAT rate for a period in order that they can become cost effective and a person refurbishing or extending his or her house can have the job done a little cheaper? These are the innovative measures the Minister could have applied. I do not criticise what he has done, but a lot more could have been done. These measures would be self-financing because he would generate activity in the economy that would give him a greater tax base. He needs to consider this suggestion.

Everybody suggests the Minister should tax the rich and the wealthy, but bad taxes drive out good money. That is what has been happening. Perhaps we need to look at attracting the wealthy in order that they could be of benefit and create wealth and employment.

On the corporation tax rate of 12.5% and the companies that have come to Ireland through IDA Ireland, in terms of their corporate social responsibility, how many of them were asked to pay an extra 1% to give the country a break because they have been provided with a break for long enough? I think they would respond positively. A company I know of in Kilkenny - I am sure there are similar companies across the country - gives without hesitation to the marginalised and the city and tries to improve the lot of people. Perhaps as a measure to help the country, such companies might consider paying more in taxes. I know nobody wants to pay more in tax, but there are companies that would consider a different approach.

Last but not least, I want to deal with an issue mentioned by a number of Members, that of the primary medical certificate. Marginalised individuals on limited incomes have to deal with all of the extra charges being imposed. The primary medical certificate does not work for them. It is a joke and its application is not consistent across the country. I understand the Department of Finance deals with this issue but that it is administered elsewhere. I ask the Minister to look at it to make the system more flexible and fairer to people.

Acting Chairman (Deputy Liam Twomey): Deputy John O'Mahony is sharing time with Deputies Eoghan Murphy and John Paul Phelan.

Deputy John O'Mahony: I welcome the opportunity to contribute to this debate. The country has been on a difficult roller coaster of a journey for the past seven years and every citizen and family has been affected by the economic collapse, the hundreds of thousands of job losses, emigration, mortgage difficulties and negative equity, etc. In 2010, with the arrival of the troika, we lost control of our destiny. Following this we had the introduction of USC, wage

cuts, the abolition of the social welfare Christmas bonus, a ban on the recruitment of gardaí, teachers, nurses and doctors which were consequences of the recklessness of the previous Fianna Fáil-led Government. Thanks to the sacrifices of the people and the difficult decisions taken, we are now in a much different space. Some 130,000 new jobs have been created; we have had a restoration of Army and Garda recruitment and a massive increase in tourist numbers through the stimulus of the 9% VAT rate and the abolition of the travel tax. Our exports are at record levels. Agriculture which has been the mainstay of the economy for hundreds of years has come to the rescue once again and the Government has supported it every step of the way and has fought for it at European level in the CAP negotiations. The net result of the prudent decisions taken by the Government is that for two years now Ireland's economy is the fastest growing in Europe. More importantly, this growth is more widely based and on a firmer footing than the shifting sands of the construction bubble in the early noughties.

In that context, the budget was about the restoration of the supports and services that had to be suspended because of the economic collapse. It was about the reversal of difficult decisions that had to be taken because of the state of emergency in which we found ourselves. It is, however, only part of the journey because it is in the interests of all the people that our recovery not be put at risk. We must never again gamble on the future of the country and its children. It would be great if we were able to restore everything immediately, but we cannot. It was important that the budget put some extra money back into everybody's pockets. This was particularly important for those on low and middle incomes and the most vulnerable on social welfare payments. The reduction in USC rates has helped to achieve this, with 42,000 low paid workers being taken out of the USC net altogether, amounting to 700,000 in the past few years. USC is also being significantly reduced for middle income earners. Tax cuts are good for the people and the economy. They lead to the creation of jobs and bring benefits to every family. Social welfare recipients have been assisted by a range of measures, including the restoration of 75% of the Christmas bonus and increases in family income supplement, carer's support, the old age pension and child benefit, etc.

As somebody who was involved in education for many years, I am very aware of the effects the recession has had on this sector of the economy. I welcome the additional recruitment of new teachers and the proposed changes in class sizes. I also welcome the announcement today of the multi-annual funding for the summer works and minor works schemes for primary schools.

As Chairman of the Joint Committee on Transport and Communication, I am especially delighted to see the significant reduction in motor tax for hauliers across the country. In the past four years the committee has heard presentations from those involved in this sector about the serious disadvantages hauliers in Ireland faced compared to their counterparts abroad. I commend the Minister for taking action on this matter as otherwise we would have lost many jobs and livelihoods. Transportation costs are a major issue for every business in Ireland, both large and small. In budget 2016 there are major reductions in commercial motor tax rates. The number of rates will be reduced from 20 to five and they will range from €90 to €900 per year, down from a maximum rate of €5,195. These changes will benefit over 28,500 commercial vehicles and come into effect in January 2016. This budget also addressed self-employment, beginning the equalisation of tax treatment between the self-employed and PRSI workers. There is still a way to go on this and it should be continually addressed. Self-employed people are risk-takers. We are at a stage of growth in the economy where they could take on extra workers. It is important they have some safety valves and guarantees if they become sick or their business goes

into difficulty.

Deputy Eoghan Murphy: I welcome the Finance Bill and the measures in it and congratulate the Minister, Deputy Noonan, on his work. I wish to touch on some issues I raised in pre-budget submissions to the Minister, so he will be familiar with them. On income taxation in general, it is good to see that taxes on work are beginning to come down in a number of areas. These reductions are necessary at this point in the economic cycle, if we are to continue to increase productivity and jobs. The result will be more taxes coming through to Revenue and more money to spend in the public good. It is important that we are doing that.

I would caution against maintaining the discrimination imposed on high earners through the USC. It is counter-productive to economic growth and it is also unfair given that these earners pay a far greater proportion of their income in tax compared to other workers in Ireland and to high earners in other jurisdictions. I hope we can quickly come to a point where nobody's marginal rate of taxation is above 50% because it is far too high. I am very glad we have made a commitment to do this if we are re-elected.

It is equally important that we finally move to tax equality for the self-employed versus PAYE workers. We made the first step in that direction in this budget and, if we are re-elected, I hope we can achieve it in one more budget rather than spreading it out over two or three. It comes back to what earlier speakers have said about bad taxes driving out good money. Wealth creation is a good thing. We should create as much wealth as we can in order to distribute it in a fair way towards the public good. That should be our motivation as we look forward, hopefully, to another term in government and a fiscal course for the coming years.

A number of measures were considered when it came to lower income earners. I would have liked to have seen a reduction in the VAT rate, either alongside or instead of measures introduced in the Finance Bill. It might have been introduced instead of taking people out of the USC tax net altogether, for example. In the matter of disposable income on lower salaries, a change in VAT could have a proportionally greater impact on people's lives. I hope we can consider that in the future.

When it comes to capital acquisitions tax - some people call it the death tax and others know it as the inheritance tax - the change in the threshold was very welcome but it needs to be increased even more. Looking at other OECD countries, Norway and Sweden do not have any inheritance tax at all and the threshold entry point in the UK is much higher than ours. I would like to see that threshold increase, or to see us moving, like Germany, to a more progressive system of inheritance taxation. Theirs is a different system altogether and some would argue it is fairer. The way in which we collect this tax and the time we give to do so also needs to be examined. The tax is levied within the first six months and people do not necessarily have the means to pay it without disposing of the asset and yet it might not be possible to dispose of the asset to pay the tax.

I will speak further about incentivising investment in small companies when we come to the Credit Guarantee (Amendment) Bill later this afternoon. Peer-to-peer financing is now an established mechanism here. I have raised it a number of times in the Dáil over the past few years. It is an alternative funding model for small businesses and an alternative saving and investment market for small lenders. We need to consider what the UK is doing to encourage this new financing market. There, they encourage lenders by including interest earned in tax break schemes, and encourage borrowers by topping up successful loans with Government money.

The UK has seen this type of financing grow exponentially in the past three years. It is much better for the small saver who wants to earn a higher rate of return and put their money to more productive use. It is much better for the borrower who wants to avoid incurring some of the costs associated with bank lending, which might not always be open to them. I hope we can follow suit in this regard. There are other measures I would like to see us copy from the UK but I will come to them at another time. The peer-to-peer financing measures that have been adopted are proven; they do work and there is no reason we cannot implement them.

Land use in Dublin is a very important issue. We need to incentivise more efficient land use. One issue that was put to me recently is under-occupation of homes, in particular family homes. There may no longer be a need for a family home of a large size, or it may be too expensive for the couple to maintain the house. At the same time, we have lots of young families looking for affordable homes who cannot find them. If we could incentivise the market for trading down, for a couple in a large house moving into a smaller home or apartment, it would be a good thing. Perhaps we could do it by exempting people from stamp duty when trading down. Criteria would have to be put in place to make sure the exemption was not abused. It might help bring about more efficient use of land in Dublin.

We also have a significant amount of vacant space above commercial premises in Dublin. It can be seen on any main street in the city and in our urban villages. We can incentivise above-the-shop living, which is closer to the norm in other European cities. The quickest way to achieve that is through tax reliefs. It needs to be considered now, particularly in the context of the current crisis. Collaboration with Dublin City Council would be needed because the regulation and red tape when it comes to changing the use of above-shop spaces - factors like access, minimum size and standards - must be examined. There is now a form of hyper-regulation of these standards which is not the case in other European cities. We have all been to other European cities, either through work or personal travel, and they do not have the kind of restrictions on accommodation conversion that we have in Dublin.

It would have been beneficial if I could have brought these issues to an independent budget oversight office separate from the Department of Finance and had them costed, debated and maybe even recommended by an independent budget committee. It is welcome that the Minister is committed to an independent budget oversight office. The sooner we get it off the ground the better. It must be accompanied by some sort of standing, year-round budgetary scrutiny committee separate from the Joint Committee on Finance, Public Expenditure and Reform, which has a much wider remit and focus. We could then debate individual measures once we had them costed and perhaps bring them forward as recommendations. I would also like to see the Irish Fiscal Advisory Council reporting directly to such a committee to give it greater independence from the Government and also to give the Dáil greater power.

The Minister is aware of my tax transparency website, *taxtransparency.ie* because I have shown it to him. It is now up and running for the 2016 budget figures. Anyone can have their income tax calculated and get a breakdown in simple euros and cents of how that money is spent by Government Departments. The UK and the US do it. The Department of Public Expenditure and Reform, the Revenue Commissioners and the Comptroller and Auditor General support it. The Department of Finance should now support and introduce it.

Deputy John Paul Phelan: I commend the Minister, Deputy Noonan as others, including some Opposition Members, have done for his stewardship of the economy over the past four and half years and in extraordinary times. It is not by accident that Ireland's economic growth

figures are the envy of most other countries. It is through the efforts of individuals, businesses and members of the Government, not least the Minister for Finance, that we now find ourselves in a position to introduce a favourable budget.

I echo the sentiments of Deputy Breen and others on the primary medical certificate. I had not intended to speak about it but the current criteria are too rigid and not particularly fit for purpose in this day and age. It is admittedly a complicated area but does merit some intense consideration.

The Minister's decision to introduce the 9% VAT rate in the hospitality sector in his first budget has arguably been the best decision he and the Government have made in the course of their time in office. It has stimulated significant economic growth across the country because the hospitality sector is in every town and nearly every village. It has had a dramatic effect on economic activity and the numbers of people employed in that sector.

I wish to raise another issue about which I have not had a chance to have any real discussions because I received an e-mail on the matter late in the day. Perhaps the Minister's officials might be able to examine it at some point. It concerns VAT on certain medicines. Deputy Twomey will probably have a more detailed knowledge of this than I have but I received a communication from individuals who suffer from skin conditions like psoriasis and eczema and related illnesses. They probably contacted me because I am a psoriasis sufferer so I should confess a vested interest in that regard. They maintain that the existing rates of VAT on certain medications that are necessary in this area should be looked at with a view to removing some of them in the future. I hope this can be examined. My only regret is that I received the communication too late to be able to examine it in any great detail.

I welcome the fact that the budget and the Finance Bill include substantial provisions for the reduction in the USC. Perhaps many economists would argue that the USC is a very equitable tax but, rightly or wrongly, the public is understandably of the view that this was a temporary measure that was introduced at a time of economic crisis. The fact that we have seen the first substantial step in reducing it in this budget and this Finance Bill as part of a plan to phase it out completely over the next number of years if economic growth continues is to be greatly welcomed. I cannot commend the Minister enough in that regard.

I join Deputy Eoghan Murphy and others in praising the Minister's measures concerning the earned income credit for the self-employed with a view to levelling the pitch for self-employed people. This is a welcome inclusion in the Finance Bill and the budget. Like tourism and hospitality, agriculture is probably the other sector that kept the country moving in the right direction through the worst of the recession. I welcome the extension of various reliefs the Minister announced to the end of 2018. In particular, I welcome the new measure concerning succession and transfer of partnerships. It has received positive feedback from the agricultural community and is to be welcomed.

I wish to raise some other issues in advance of the next round of budgetary measures that must be discussed. I welcome the fact that this week, there are reports of a surge in corporation tax receipts and the changes relating to the knowledge development box, which were announced in the budget and included in the Finance Bill. I would ask that emphasis in the future be placed on looking at the reduction of capital taxes, particularly DIRT. There were understandable economic reasons for increasing DIRT at a time when we sought to promote economic activity. From an economic development perspective, perhaps the Government wanted people to spend

money. We are now entering a different zone and perhaps more encouragement needs to be given to citizens to save for their futures. This is why I believe the current level of DIRT is prohibitively high. I have received a lot of communications from constituents who have fairly modest savings and who are not receiving the return they might have expected. They are rightly looking to the Government for a reduction in that tax in the future. I welcome the provisions of the Finance Bill and I am glad to have had the opportunity to raise a few points.

Deputy Peadar Tóibín: At this point, it is important to inject some reality into the debate. Sinn Féin welcomes the growth that exists in the State. We have had a growth desert for the past number of years so any growth is welcome. However, it is very important that we analyse the contributing factors to this growth. If we do not analyse them, we are clearly liable to make mistakes with regard to policy.

The major elements within growth at the moment are external to the State and are not under its control. The key ingredients include the weak euro, low interest rates, quantitative easing, low oil prices and the growth of the UK and US markets to which we are very much tied, more so than the other European economies. A lot of pent-up investment and pro-cyclical investment is starting to seep through. The FDI exports sector is quite strong at the moment. There is no doubt that these are feeding at last into the domestic economy but there is a caveat. The domestic economy they are feeding into is mainly on the east coast and there is division between it and the west coast, the Border region and the midlands with regard to the level of growth. There is also a division with regard to the demographic elements which are receiving the benefits of that growth.

We heard a while ago that there is buoyancy with corporate tax receipts. Indeed we do and this buoyancy is startling. It is €2 billion ahead of expectations at this moment in time. When the chief economist at the Department of Finance appeared before the Oireachtas Committee on Finance, Public Expenditure and Reform on 8 October, I asked him what was behind this. He said that he could not say for sure but there is a growing body of opinion, mine included, that believes that much FDI is starting to regularise its corporation tax contributions due to the changes the Government is making with regard to corporation tax - changes the Government was dragged kicking and screaming into making. If the Minister had listened to Sinn Féin in 2011 and implemented those changes, imagine the billions of euro that would have been at his disposal to use within the economy. It is shocking that this is happening because the Government is being forced into it. I cannot think of another area of Government policy where the Government is forced to make changes to increase the level of tax buoyancy within the economy.

The truth is that there are strong tail-winds within the Irish economy. If these cease, the inherent weaknesses in the domestic economy will be exposed. This is why it is necessary for us to strengthen the indigenous economy and create real competitiveness to ensure real growth and strength. There is continuous Government divestment from the infrastructure of this State on an annual basis. Even in the Spring Economic Statement, the Government stated that it was planning to cut Government investment from 1.8% of GDP to 1.5% by 2020. Most conservative economists will say that just to maintain the capital stock of the State, this level of Government investment needs to be at 4% so the Government is divesting from the infrastructure of the State at a phenomenal rate. The outworking of that can be seen with regard to the Global Competitiveness Report, which says that Ireland has disimproved with regard to competitiveness over the past 12 months. In respect of areas like office rents, health infrastructure and water infrastructure, we are making it increasingly difficult for businesses functioning in Ireland to

succeed and less likely that we can attract businesses to this country in the future.

It is also important to look at this budget in the context of the vandalism done to the Irish economy over the past years. We have a housing crisis where people are dying on the streets. We have a health crisis. The *Irish Daily Mail* reported that a young father of two bled to death in Dundalk due to the fact that an ambulance did not make it on time. We learned that a 91 year old man was left on a trolley for 29 hours in Tallaght hospital.

12 o'clock

At the same time in that hospital another patient was left on a trolley for 59 hours.

Debate adjourned.

Topical Issue Matters

Acting Chairman (Deputy Liam Twomey): 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 Joan Collins - the need to prevent the closure of the Cuan Álainn women's refuge, Dublin 24; (2) Deputy Thomas P. Broughan - the need to address concerns about wall height at the proposed flood defence project between the Wooden Bridge and the Causeway Road, Dublin 3; (3) Deputies Martin Ferris and Michael Healy-Rae - the need to provide support for Kerry Life Skills; (4) Deputy Paul Murphy - the tendering process for the provision of telecare equipment for the senior alert scheme; (5) Deputy Brendan Smith - the need to address the implications for Ireland of the proposed British referendum on membership of the European Union; (6) Deputy Bernard J. Durkan - the need to address the stalled works at the town centre developments in Naas, County Kildare; (7) Deputy Ciarán Cannon - the need to acquire sites for new school developments for Presentation College, Gairmscoil Mhuire and Gaelscoil Riada in Athenry, County Galway; (8) Deputy James Bannon - the need to ensure the Irish Prison Service retains its headquarters in County Longford; (9) Deputy Peter Mathews - the need to declare a manpower emergency within Irish medical services; (10) Deputy Ruth Coppinger - the need to progress building work at St. Mochta's national school, Clonsilla and St. Patrick's national school, Corduff, Dublin 15; (11) Deputy Clare Daly - the need to discuss the latest report of the Inspector of Prisons; (12) Deputy Dinny McGinley - an géarghá le foirgneamh úr do Ghaelscoil na gCeithre Máistrí, Baile Dhún na nGall; and (13) Deputy Helen McEntee - the need for additional funding for six children in County Meath who cannot avail of the additional preschool support.

The matters raised by Deputies Brendan Smith, Clare Daly, Ciarán Cannon, and Martin Ferris and Michael Healy-Rae have been selected for discussion.

Leaders' Questions

Deputy Dara Calleary: This time yesterday my colleague, Deputy Micheál Martin, raised the case of a 91 year old man who had been kept on a trolley in the emergency department in Tallaght hospital. The Taoiseach said he wanted to know who was responsible and described it as a shocking example of the dysfunctionality of the system. He has joined the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, in being a commentator from the

sidelines on the health service. There are several other stories today. An 87 year old woman was allegedly sexually assaulted when she was placed in an all-male ward because of overcrowding, which is absolutely cruel and callous. We all agree that older people, particularly at such a vulnerable time in their lives, deserve better and at least to be treated with decency and dignity.

In the past hour, in this morning's edition of the *Irish Daily Mirror* and on "Today with Sean O'Rourke" another story was told which had the absolute worst outcome. It concerns the death of Daultagh Donnelly because of ambulance delays in Dundalk. It took 39 minutes for an ambulance to arrive after he had severed an artery in his arm. He lived five minutes from the base station. He was a young man, the father of two young children, with another child on the way. Will the Minister ask for the case to be independently investigated in order that such a case can be avoided in the future? Mr. Donnelly's partner spoke very movingly and courageously on "Today with Sean O'Rourke" this morning and the family is to be commended for going public about its tragic loss. There are problems in the National Ambulance Service and delays all over the country. This will happen again, unless there is an independent investigation and lessons are learned.

The approach of Mr. Donnelly's family is very different from that of the management of Tallaght hospital which states it will investigate Dr. Gray's letter. It will not investigate why a 91 year old man was left on a trolley but the doctor and how his correspondence was released to the public. It seems it is not interested in the treatment of patients but in disciplining and silencing its critics and those who raise genuine cases of concern. Surely the management of a hospital should be worried about how it took 29 hours for a 91 year old to be given a bed in a ward rather than scapegoating a doctor.

The Minister has introduced whistleblower legislation and championed whistleblowers for many years. Does he believe Tallaght hospital's approach is correct? Does he believe that, where they have issues of serious concern, doctors and medical staff should be allowed to bring them to management? Will he confirm that the incident at South Tipperary General Hospital took place, as reported this morning? Will he commit, on behalf of the Government, to initiating an independent investigation into the reason for the delay in the arrival of an ambulance for the late Mr. Donnelly in Dundalk?

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): I thank the Deputy for raising three discrete and separate issues. I will not have time to go into them in any great detail. Each has to be considered individually.

For some time the Government has been examining emergency departments in hospitals as a priority. That is why last December the Minister for Health and I discussed how to resource them and ensure there would be adequate resources to deal with the pressures on them. Last December the Minister for Health established an emergency task force. We tried to identify the impediments to ensuring people had access to beds quickly when it was determined in emergency departments that they needed them. We have deployed considerable resources to get what used to be called late discharges out of hospital into a more appropriate setting. That is why we have further resourced the fair deal scheme greatly such that the 16 week waiting time has been reduced to between two and four weeks. There are 1,200 additional home care packages in order that people can be treated at home rather than in an emergency or hospital setting. We have also opened additional beds.

Let us consider the individual cases about which the Deputy talked. With great respect to him, in the case of the 91 year old man, we need to respect the privacy of the individual. However, an aged person should not have been left on a trolley for that length of time. We need to understand why and how it happened. That is separate from the individual's right to privacy which neither the hospital authorities nor the Government can ignore. However, we need to know exactly what happened in the case and why the person concerned did not have access to a bed.

In the very sad case of Dualtagh Donnelly in Dundalk I join the Deputy in expressing my sympathy and that of the Government to the Donnelly family. I understand the National Ambulance Service received the emergency call at 3.06 a.m. on Monday, 26 October. It was classified as life-threatening. The rapid response vehicle crewed by an advanced paramedic arrived at the scene 23 minutes later at 3.29 a.m. An emergency ambulance arrived at 3.45 a.m. While the emergency paramedics were *en route*, the National Ambulance Service call taker stayed on the line to give first aid instructions to the caller. On their arrival, the paramedics did everything they could for the patient, but, unfortunately and regrettably, he passed away, which is very sad.

On the third issue, the alleged assault in South Tipperary General Hospital, on 28 October a female patient was checked by medical staff. The Garda was called and it is investigating the matter. The male patient was moved to a side room and has been approved for long-term care and remains in hospital, where he is monitored 24 hours a day, seven days a week by security staff, pending acceptance by a health care facility appropriate to his needs. The matter is being properly investigated by An Garda Síochána.

As a former Minister for Health, I am aware that emergency departments provide front-line services for a variety of cases. Issues will arise, in respect of which we need full transparency. The Deputy is right that if anybody wishes to make a complaint about any matter, staff or not, it must be fully and completely independently investigated.

Deputy Dara Calleary: There are two accounts of the ambulance issue. It would be worthwhile and give comfort to the family if somebody independent were to investigate it, to talk to the family privately and talk through exactly what happened because there are lessons to be learned. This is happening everywhere. There are ambulance delays all over the country; we just do not hear about them, but we all experience them.

This morning the Minister of State at the Department of Health, Deputy Kathleen Lynch, used the word "chaos" about emergency services. It is the beginning of November and the delays and pressures arising in emergency departments normally do not surface until December or January. Mr. Liam Woods, national director for acute hospitals at the Health Service Executive, mentioned preparing and putting a winter plan in place. Winter is here and its results can be seen in our accident and emergency units every night of the week now, not just at weekends. It seems to be continually pushed down the line, with people saying, "It is not our problem". The emergency task force has been branded a failure by the Irish Nurses and Midwives Organisation, even though nurses were at the heart of it. They are now balloting for a strike. The people on whom we depend for our emergency service have no confidence in the task force and are planning a strike and one of the Ministers in charge uses the term "chaotic" in respect of it. When is the Government going to take specific action to avoid these delays? They should not be happening at any time of the year but especially early in the winter when there is no pressure on the system in terms of colds, flu and other winter illnesses. How many more people are going to be left on trolleys for hours on end?

Deputy Brendan Howlin: Our responsibility as a national Parliament, and the specific responsibility of the national Government, is to ensure we have resources and staffing in place to deal with the health needs of our people.

Deputy Peadar Tóibín: They are not in place.

Deputy Brendan Howlin: In preparing for this winter, that is what we have been trying to do, not just this week but from the end of last year. Resources have been deployed and we took the advice of the task force on how we could relieve pressure on accident and emergency units. It advised us to provide more resources for the fair deal scheme and we provided €44 million in additional money for that this year. We introduced a specific initiative on waiting lists, costing another €51 million, and allocated another €30 million to delayed discharges and another €10 million for a winter initiative. In total, €135 million in additional money, which we have yet to vote on in this House by way of a Supplementary Estimate but will do by the end of this year, has already been deployed in order to relieve pressures in this area.

The question of staffing was mentioned. My job as Minister for Public Expenditure and Reform is to make sure we get a result from the significant and scarce resources we deploy in every area of public expenditure. We have employed 5,235 additional staff in the HSE since the beginning of 2014.

Deputy Dara Calleary: Why are they going on strike?

Deputy Brendan Howlin: We have 700 net additional nurses.

Deputy Dara Calleary: They are going on strike.

Deputy Brendan Howlin: Is 700 additional nurses not enough?

Deputy Peadar Tóibín: The outputs tell us it is not enough.

Deputy Brendan Howlin: What is enough? We need to have a debate on this. I know the normal, default position of Opposition is to say that, whatever there is, it is not enough and the Government must provide more. We must also have a grown-up debate in this House on how we deploy resources effectively and maybe one day we will. At the beginning of this year I asked each sectoral committee, including the health committee, to engage on these issues to see how we deploy resources effectively.

Deputy Dara Calleary: The Minister should take charge.

Deputy Brendan Howlin: We spend more money on our health services than the OECD average, though our health demographics are poorer.

Deputy Dara Calleary: It takes 29 hours to get a bed.

Deputy Brendan Howlin: Deputy Calleary is right - that should not happen.

Deputy Timmy Dooley: The Government abolished the HSE.

Deputy Brendan Howlin: It is no use running with a statement like that. We are interested in analysing the problems and providing solutions, as we have done in respect of every serious challenge we have faced.

Deputy Pearse Doherty: Across the State people woke up this morning to the horrific newspaper reports on our health services. An elderly woman, placed in an all-male ward due to overcrowding in South Tipperary General Hospital, was allegedly subjected to a horrific sexual assault. In another report we read of Dualtagh Donnelly, the father of two who, having cut his arm on a glass door, bled to death while waiting for 40 minutes for an ambulance to arrive. This is despite the fact that the family home where he lived was only five minutes from Dundalk ambulance station and close to Louth County Hospital, whose accident and emergency department has been closed. All these stories come on the back of the story we heard yesterday of the 91 year old man who was lying on a trolley for 29 hours in Tallaght Hospital. The Minister said the Government would address these problems but it is five years into its term of office, its last dying months. When is it going to fix the trolley crisis? When will it fix the crisis in our ambulance services? Dualtagh Donnelly may have been able to be on this earth today if an ambulance was there for him at the appropriate time.

These are not isolated instances. This House has heard different stories about delays to ambulances where they have been deployed without paramedics or where people have had to ask neighbours to drive the ambulance. We have heard of ambulances whose wheels have fallen off. The trolley crisis only gets national attention and prominence when it is a 91 year old person or someone aged 100 or more but should it be acceptable, in this day and age in our society, to allow a 50 year old or a 15 year old to spend 29 hours on a hospital trolley? The 91 year old to whom I refer was joined yesterday by over 400 individuals. Is it not time to accept that after five years in office, the Government has failed to deliver on fixing the health crisis? Is it not reasonable to accept that its failure to invest after stripping valuable resources out of our health service is the cause of what we read in our national newspapers today and have read on many other days in the past year?

According to the budget document, the Government has provided €18 million in additional funding for 2016 when demographic pressures and the Lansdowne Road agreement are stripped out, yet it provides multiples of that amount - nearly ten times the amount - in tax reliefs to those who earn over €70,000.

Deputy Brendan Howlin: Is this a question?

Deputy Pearse Doherty: The Minister may not want to hear it but I said on budget night that when he deploys policies like that, this is what we will get. We will get our elderly people on hospital trolleys and people dying in their homes because the emergency service will not get to them within the appropriate time. Does the Minister accept that the Government has failed spectacularly to deal with the crisis in our hospitals and accident and emergency services across the State?

Deputy Bernard J. Durkan: That is no question.

Deputy Brendan Howlin: The Deputy wants to look back five years and judge us on our performance over those five years.

Deputy Billy Kelleher: The Irish people have done that.

Deputy Brendan Howlin: The Irish people have not been asked yet and I would not be so arrogant as to pre-empt what the judgment of the Irish people will be.

Deputy Bernard J. Durkan: Hear, hear.

Deputy Billy Kelleher: The Minister will quickly find out when he goes knocking on doors.

Deputy Brendan Howlin: The Deputy can, like de Valera, look into his heart and know the will of the Irish people. Let me be honest and clear with the Deputy. If we had followed his prescription five years ago we would have had a collapsed health service by the end of 2011. We would have bankrupted the country and there would be no pay for nurses or doctors, never mind talking about increases. Let us talk some semblance of reality. We have worked to retain key, essential personnel. Since the beginning of last year we have had 700 net new nursing staff.

Deputy Pearse Doherty: There are more people, too.

Deputy Brendan Howlin: Medical and dental staff have seen increases of 10.5% since the beginning of last year. The number of medical and dental staff is now higher than the pre-crisis peak of 2007. We have now more dental and medical staff than we had when Mary Harney said we were awash with money.

Deputy Dara Calleary: Why is there an orthodontic waiting list? The Minister should read the list.

Deputy Brendan Howlin: This is despite navigating this country through the worst economic crisis in our history. The additionality to which I referred is €135 million. Most people listening to this debate will feel their hearts scalded by the two actual cases which have been referred to today. Regarding the very sad case of Mr. Dualtagh Donnelly, as I have said, the advance paramedic in a rapid-response vehicle was there in 23 minutes. The 2015 target for a patient-carrying vehicle to be on scene is 18 minutes and 59 seconds for 80% of emergency calls.

Deputy Billy Kelleher: First responder.

Deputy Brendan Howlin: This emergency vehicle arrived in 23 minutes.

Deputy Peadar Tóibín: That is according to the HSE, not according to the family.

Deputy Brendan Howlin: That is the information I have. All these can be validated and checked. Let us wait for objective fact before we jump to judgment.

Deputy Peadar Tóibín: The Minister is giving one view.

Deputy Brendan Howlin: Let me give the full fact because, obviously, before coming in here I asked. There were eight emergency ambulances and two rapid-response vehicles operating in the north-east area on the night of this dreadful accident. The normal complement for the night is ten ambulances and two rapid-response vehicles. The reduction in capacity was due to short-notice absences on the night which I understand is not an exceptional circumstance. We need to look into these matters to ensure that the real concerns of the Donnelly family are fully investigated and ventilated.

The south Tipperary case is under investigation by An Garda Síochána, which was called. Again, we will wait for the proper investigation into that matter by the appropriate authorities.

Deputy Pearse Doherty: As I said, these are not isolated cases. The individual circumstances are obviously particular to these families, as are the tragedies that unfolded. We all know of different cases. Yesterday, there were more than 400 people on hospital trolleys and

this is likely to continue. The Taoiseach's answer to this question yesterday was that things were likely to get worse and that we would hear of more terrible stories. Government Deputies have spoken about the inevitability that this will escalate in coming months. It is inevitable because of the policies the Government is pursuing but it is not inevitable that every day, we need to have 400 patients - 400 of our citizens - on trolleys on emergency department corridors or in hospital wards. It is not inevitable that we regularly have to have fewer ambulances available than should be available.

The Minister stated that 20% fewer ambulances were available in that region than should have been available and that we had a death, more than likely, as a result of the failure of that ambulance to get there within the appropriate period of time. It took 40 minutes for that ambulance to arrive and yet the person was within five minutes of the ambulance station.

As the Minister pointed out, this is not unique to Dundalk. It happens in other areas, as we have known for the past five years. What will the Government do to ensure no other person loses his or her life as Daultagh Donnelly did because of the lack of basic life-saving services in any region? Daultagh Donnelly's mother Oonagh said, "I have that much anger in me, I feel my son died because of politicians' policies." It is hard to disagree with that. It is the Government's failure to deal with such issues, which are not isolated but are now systemic across Irish society, that is not just leading to the inconvenience of people having to spend a couple of hours on hospital trolleys or having to wait a couple of extra minutes for an ambulance service but is having implications for health outcomes, in some cases leading to people losing their lives. Does the Minister accept that?

Deputy Brendan Howlin: Let me be crystal clear. Health policy has been an absolute priority for the Government. The protection of health expenditure-----

Deputy Billy Kelleher: The Government does not have a health policy.

Deputy Brendan Howlin: The Fianna Fáil-----

(Interruptions).

An Leas-Cheann Comhairle: Sorry, it is Deputy Pearse Doherty's question.

Deputy Brendan Howlin: Fianna Fáil attacked me last year-----

Deputy Billy Kelleher: The Government has no health policy.

Deputy Brendan Howlin: -----for introducing a Supplementary Estimate in excess of €600 million for the health services.

Deputy Dara Calleary: The original Estimate was a lie.

Deputy Finian McGrath: The Government has been in power for five years.

Deputy Brendan Howlin: I believe its spokesman will attack me again for introducing a Supplementary Estimate.

Deputy Dara Calleary: The original Estimate was a lie.

An Leas-Cheann Comhairle: Please, Deputies.

Deputy Billy Kelleher: The Minister misled the House.

Deputy Brendan Howlin: We have put that €600 million into the base for next year and more money besides. We have done the analysis on how to alleviate pressure on emergency departments this year and have allocated €135 million to the individual-----

Deputy Pearse Doherty: Why is it not working?

Deputy Jonathan O'Brien: It is not €135 million.

Deputy Michael Colreavy: It is €18 million less.

Deputy Brendan Howlin: They do not want to listen. The Deputies opposite want to shout down the facts-----

Deputy Dara Calleary: We learnt that from the Minister's leader.

Deputy Brendan Howlin: -----because they are only interested in shouting about problems. They have no interest whatsoever in solutions.

Deputies: Hear, hear.

(Interruptions).

Deputy Brendan Howlin: They have no solutions. They have no policies for solutions.

Deputy Pearse Doherty: Some €383 million should have been allocated to the health services.

An Leas-Cheann Comhairle: The Minister is speaking.

Deputy Brendan Howlin: They thrive in the issues-----

An Leas-Cheann Comhairle: The Minister has the floor.

Deputy Brendan Howlin: They thrive in having no solutions.

Deputy Peadar Tóibín: Trolleys are not the solution.

Deputy Finian McGrath: The Government turns down solutions every single day.

Deputy Brendan Howlin: We have a very clear set of measures to deal with problems in emergency departments. Of course issues will arise, as the Taoiseach said yesterday. It is very complicated. It arises in every emergency service around the globe. If the Deputies opened their eyes, they would know that. I have had discussions with the OECD on international health care to review models that work, as the Minister for Health has done.

An Leas-Cheann Comhairle: I thank the Minister.

Deputy Brendan Howlin: A particular question was asked about ambulances. Some 64 new ambulances have been provided at a cost of €9.4 million.

Deputy Dara Calleary: They are all replacements.

Deputy Brendan Howlin: We need to ensure they are available-----

Deputy Billy Kelleher: We need additional ambulances.

Deputy Brendan Howlin: -----on rosters and that they meet the timelines we have set. We are determined to achieve that.

Deputy Pearse Doherty: We need actions, not words. We need actions, not more commentary.

Deputy Tom Fleming: Youth unemployment is still double the rate it was at the start of the recession in 2008. The latest EU labour force figures show that Ireland is one of the ten European countries where youth unemployment exceeds 20%. The EU survey also shows that 15% of Ireland's youth were not in employment, education or training last year. If we take into account the thousands who were forced to emigrate, the figures for youth unemployment would be well over 30%.

CSO figures published last month show an overall unemployment rate in September of 9.4% and we all welcome the progress made to date. However, at the other end of the spectrum, the seasonally adjusted youth unemployment rate, which is defined as covering 15 to 24 year olds without a job, is now at 20.06%. In addition, the live register figures indicate that 65,600 people of all ages were on activation and training schemes and these are not counted in the job-less total.

The PricewaterhouseCoopers survey released this week pointed out that Ireland is losing billions because we are failing to tap into the potential of our youth. It points to high levels of unemployment and low levels of participation in job training, vocational education and apprenticeships. The PwC report also concluded that core European countries such as Germany, Switzerland and Austria offer the best role models in developing the potential of youth through a system of education and vocational training. We are many years behind these other countries. It is obvious that we are not tapping into the potential of our youth.

What joint action are the Ministers for Jobs, Enterprise and Innovation, Education and Skills and Social Protection taking? There are huge deficiencies out there. What are they doing to minimise the number of people who are falling through the labour net with the various good schemes we need to address the matter?

Deputy Brendan Howlin: As the Deputy will know, the issue of job creation has been the absolute top priority for the Government since we came to office. We have reduced the unemployment rate from heading towards 500,000 when we came into office and 15.2% at its peak to 9.3% this week. This week's figures indicate that youth unemployment has fallen below 20% for the first time since 2009. We are now at or just below the European average. We are not resting on our laurels; we have a job of work to do. There is a lot of joined-up thinking. A major initiative from the Department of Education and Skills will now, through the new ETB structure that we have established, focus on apprenticeships. An additional €10 million has been allocated to that area. There are a lot of young people who do not see the pursuit of normal academic degrees as their future. When one looks at a very successful country like Germany, it highly values apprenticeships and gives academic recognition to that. It is a path we are going to follow as well. I assure the Deputy that the issue of unemployment generally and youth unemployment in particular will continue to be the first objective of this Government.

Deputy Tom Fleming: This week's PwC report also pointed out that out of 34 countries surveyed in Europe, Ireland is ranked at No. 29. The league scores individual countries on their

youth unemployment rates and their performance, for instance, in the vocational training to which the Minister referred. It is an indictment of our system that we are not catching up with the rest of the developed countries in Europe in tackling those issues.

We must acknowledge also that every effort should be made to facilitate youth, our greatest resource, and to channel young people into the proper training courses to meet the needs of industry. We must meet the needs of local SMEs and the needs of foreign direct investment companies, FDI, who are coming into this country and respond to the needs of the economy in general. We must also provide incentives and encouragement for the many emigrants whom we are striving to attract back to this country. The experience they have gained will be invaluable for the future of our economy. We must accelerate the programme to develop the skill sets and training, in particular vocational training to which the Minister referred. The industrialists who want to come into this country have pointed out the lack of the skill sets that are required for their specific enterprises.

Deputy Shane Ross: Hear, hear.

Deputy Tom Fleming: We must meet the needs in that regard.

An Leas-Cheann Comhairle: Could the Deputy please ask a question?

Deputy Tom Fleming: I am sure the Ministers to whom I referred are working together as cohesively as possible but we must step it up to a higher level. The Government must ensure that a survey is carried out on how certain European countries are getting such good results. We are lagging behind at the bottom end of the 34 countries surveyed.

Deputy Finian McGrath: It is all about the premierships.

Deputy Tom Fleming: That is a very bad and sad reflection on us that we have such a high percentage of youth unemployment and that we are not addressing the matter in a proper fashion. I urge the Government to look at the European experience and see whether we can learn from the likes of Germany, Switzerland, Austria, and the other efficient countries.

Deputies: Hear, hear.

Deputy Brendan Howlin: I again thank the Deputy and I fully agree with much of what he said. However, rather than rely on a PwC survey, the statistics I have given the Deputy are the official figures for this week from the CSO. I am pleased to report to the House that we are moving significantly in the right direction. One of the first things we did was to restructure the entire training platform by changing and abolishing FÁS and changing the nature and remit of the old vocational education committees. Instead of FÁS we have SOLAS and instead of the vocational education committees we now have the education and training boards, ETBs, with a new remit to deal directly with not only young people but people of all ages who need upskilling and training. SOLAS now deals with people who are unemployed for three months with bespoke, customised training based on their skill sets, desires and also the availability of job opportunities in their own region to provide for that.

I also assure Deputy Tom Fleming that the sort of joined-up thinking between the Department of Social Protection, the Department of Education and Skills and the Department of Jobs, Enterprise and Innovation that he recommended is being followed.

Deputy Finian McGrath: They are constructive ideas.

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Order of Business

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): It is proposed to take No. 9, Finance Bill 2015 - Second Stage (resumed), No. 8, Social Welfare Bill 2015 - Second Stage (resumed) and No. 10, Credit Guarantee (Amendment) Bill 2015 - Order for Second Stage and Second Stage. It is proposed, notwithstanding anything in Standing Orders, that the proceedings on the resumed Second Stage of No. 9 shall, if not previously concluded, be brought to a conclusion at 2.30 p.m. today and the proceedings on the resumed Second Stage of No. 8 shall, if not previously concluded, be brought to a conclusion at 4 p.m. today.

An Leas-Cheann Comhairle: There are two proposals to be put to the House today. Is the proposal for dealing with No. 9, Second Stage of the Finance Bill 2015 agreed?

Deputy Dara Calleary: It is not agreed. A range of other Opposition speakers have yet to speak on the Finance Bill and they will not be given the opportunity. I will quote a phrase for the Minister:

I think for a long time there has been an imbalance between the Executive and the Parliament. I think the Government will strengthen the hand of Parliament to hold the Government to account. I think that would be in everybody's interest.

They are the words of the Minister.

Deputy Brendan Howlin: I strongly agree.

Deputy Dara Calleary: The Minister now proposes to guillotine one of the central pieces of legislation, namely, the Finance Bill, and subsequently, the Social Welfare Bill. I understand there was a Whips' meeting yesterday evening and a guillotine was not discussed at that time. Could the Minister clarify why the Bill is being guillotined, and why Second Stage, which is the opportunity for every Deputy to speak on the legislation before it goes to committee, is being curtailed when there are people to speak?

Deputy Pearse Doherty: On behalf of Sinn Féin I strongly oppose the guillotining of this Bill and also the Bill that will follow. This is about proper parliamentary practice and there needs to be an opportunity for every Member of the House to have an input into the Finance Bill. There are details within the Bill that were not discussed on budget day, yet there was a lengthy discussion in terms of the Budget Statement. It is crucially important that we allow Second Stage to proceed without a guillotine. I believe that could be accommodated without requiring a significant amount of additional time. I urge the Minister to review his position on guillotining the legislation in order to accommodate the other speakers who wish to contribute on Second Stage. I do not see the necessity to impose a guillotine. There is no major urgency attached to the Bill in terms of deadlines in getting the legislation across the line. Sinn Féin will oppose the proposal. We ask the Government not to proceed with it, especially given that we have not imposed a guillotine on Bills recently, and to continue with that practice and to let the Parliament debate the Bill in full.

An Leas-Cheann Comhairle: I call on the Minister to reply.

Deputy Brendan Howlin: Is there another speaker?

An Leas-Cheann Comhairle: There is no other leader present.

Deputy Brendan Howlin: I beg your pardon.

Deputy Dara Calleary: There are many.

Deputy Bernard J. Durkan: Peter.

Deputy Peter Mathews: Is that an invitation?

Deputy Brendan Howlin: I am a great believer in allowing adequate debate on any matter that comes before the House.

Deputy Billy Kelleher: The Minister should practise what he preaches.

Deputy Brendan Howlin: As is routine, the Finance Bill is more of a Committee Stage Bill than it is a Second Stage Bill because it largely replicates, with a few exceptions - the Deputy is correct - the debate we had on the budget, but the detail is in the committee work and I would ask the House to agree to simply allow the Second Stage to pass and to deal with the Committee Stage on an issue-by-issue basis.

Deputy Billy Kelleher: That is nonsense of the highest order.

Deputy Brendan Howlin: I am sure adequate time will be afforded to the committee to go through the Bill forensically.

Question put: "That the proposal for dealing with No. 9 be agreed to."

<i>The Dáil divided: Tá, 53; Níl, 30.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Bannon, James.</i>	<i>Aylward, Bobby.</i>
<i>Barry, Tom.</i>	<i>Broughan, Thomas P.</i>
<i>Breen, Pat.</i>	<i>Browne, John.</i>
<i>Butler, Ray.</i>	<i>Calleary, Dara.</i>
<i>Buttimer, Jerry.</i>	<i>Collins, Joan.</i>
<i>Byrne, Catherine.</i>	<i>Colreavy, Michael.</i>
<i>Byrne, Eric.</i>	<i>Daly, Clare.</i>
<i>Cannon, Ciarán.</i>	<i>Doherty, Pearse.</i>
<i>Carey, Joe.</i>	<i>Dooley, Timmy.</i>
<i>Collins, Áine.</i>	<i>Ellis, Dessie.</i>
<i>Conaghan, Michael.</i>	<i>Ferris, Martin.</i>
<i>Connaughton, Paul J.</i>	<i>Fitzmaurice, Michael.</i>
<i>Coonan, Noel.</i>	<i>Flanagan, Terence.</i>
<i>Creed, Michael.</i>	<i>Fleming, Tom.</i>
<i>Deasy, John.</i>	<i>Halligan, John.</i>
<i>Deering, Pat.</i>	<i>Keaveney, Colm.</i>
<i>Doherty, Regina.</i>	<i>Kelleher, Billy.</i>
<i>Dowds, Robert.</i>	<i>Kirk, Seamus.</i>
<i>Durkan, Bernard J.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>English, Damien.</i>	<i>McLellan, Sandra.</i>

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<i>Fitzpatrick, Peter.</i>	<i>Mathews, Peter.</i>
<i>Hannigan, Dominic.</i>	<i>Moynihan, Michael.</i>
<i>Hayes, Tom.</i>	<i>Murphy, Catherine.</i>
<i>Howlin, Brendan.</i>	<i>Naughten, Denis.</i>
<i>Humphreys, Heather.</i>	<i>Ó Fearghail, Seán.</i>
<i>Humphreys, Kevin.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Kehoe, Paul.</i>	<i>O'Sullivan, Maureen.</i>
<i>Kelly, Alan.</i>	<i>Pringle, Thomas.</i>
<i>Kenny, Seán.</i>	<i>Ross, Shane.</i>
<i>Lawlor, Anthony.</i>	<i>Troy, Robert.</i>
<i>Lynch, Kathleen.</i>	
<i>McEntee, Helen.</i>	
<i>McGinley, Dinny.</i>	
<i>McHugh, Joe.</i>	
<i>McLoughlin, Tony.</i>	
<i>McNamara, Michael.</i>	
<i>Mitchell, Olivia.</i>	
<i>Mulherin, Michelle.</i>	
<i>Murphy, Dara.</i>	
<i>Nash, Gerald.</i>	
<i>Nolan, Derek.</i>	
<i>Ó Ríordáin, Aodhán.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Dowd, Fergus.</i>	
<i>O'Mahony, John.</i>	
<i>O'Reilly, Joe.</i>	
<i>Perry, John.</i>	
<i>Rabbitte, Pat.</i>	
<i>Ryan, Brendan.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Twomey, Liam.</i>	
<i>Wall, Jack.</i>	

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

Question declared carried.

An Leas-Cheann Comhairle: Is the proposal for dealing with No. 8 agreed?

Deputy Dara Calleary: No.

Question put: "That the proposal for dealing with No. 8 be agreed to."

<i>The Dáil divided: Tá, 62; Níl, 36.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Bannon, James.</i>	<i>Aylward, Bobby.</i>
<i>Barry, Tom.</i>	<i>Broughan, Thomas P.</i>
<i>Breen, Pat.</i>	<i>Browne, John.</i>
<i>Butler, Ray.</i>	<i>Calleary, Dara.</i>
<i>Buttimer, Jerry.</i>	<i>Collins, Joan.</i>
<i>Byrne, Catherine.</i>	<i>Colreavy, Michael.</i>
<i>Byrne, Eric.</i>	<i>Crowe, Seán.</i>
<i>Cannon, Ciarán.</i>	<i>Daly, Clare.</i>
<i>Carey, Joe.</i>	<i>Doherty, Pearse.</i>
<i>Collins, Áine.</i>	<i>Dooley, Timmy.</i>
<i>Conaghan, Michael.</i>	<i>Ellis, Dessie.</i>
<i>Conlan, Seán.</i>	<i>Ferris, Martin.</i>
<i>Connaughton, Paul J.</i>	<i>Fitzmaurice, Michael.</i>
<i>Coonan, Noel.</i>	<i>Flanagan, Terence.</i>
<i>Creed, Michael.</i>	<i>Fleming, Tom.</i>
<i>Deasy, John.</i>	<i>Halligan, John.</i>
<i>Deering, Pat.</i>	<i>Keaveney, Colm.</i>
<i>Doherty, Regina.</i>	<i>Kelleher, Billy.</i>
<i>Dowds, Robert.</i>	<i>Kirk, Seamus.</i>
<i>Doyle, Andrew.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Durkan, Bernard J.</i>	<i>Mathews, Peter.</i>
<i>English, Damien.</i>	<i>McLellan, Sandra.</i>
<i>Farrell, Alan.</i>	<i>Moynihan, Michael.</i>
<i>Fitzpatrick, Peter.</i>	<i>Murphy, Catherine.</i>
<i>Hannigan, Dominic.</i>	<i>Murphy, Paul.</i>
<i>Hayes, Tom.</i>	<i>Naughten, Denis.</i>
<i>Howlin, Brendan.</i>	<i>Ó Cuív, Éamon.</i>
<i>Humphreys, Heather.</i>	<i>Ó Fearghail, Seán.</i>
<i>Humphreys, Kevin.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Keating, Derek.</i>	<i>O'Sullivan, Maureen.</i>
<i>Kehoe, Paul.</i>	<i>Pringle, Thomas.</i>
<i>Kelly, Alan.</i>	<i>Ross, Shane.</i>
<i>Kenny, Seán.</i>	<i>Shortall, Róisín.</i>
<i>Kyne, Seán.</i>	<i>Timmins, Billy.</i>
<i>Lawlor, Anthony.</i>	<i>Tóibín, Peadar.</i>
<i>Lynch, Kathleen.</i>	<i>Troy, Robert.</i>
<i>McEntee, Helen.</i>	
<i>McGinley, Dinny.</i>	

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<i>McHugh, Joe.</i>	
<i>McLoughlin, Tony.</i>	
<i>McNamara, Michael.</i>	
<i>Mitchell, Olivia.</i>	
<i>Mitchell O'Connor, Mary.</i>	
<i>Mulherin, Michelle.</i>	
<i>Murphy, Dara.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>Ó Riordáin, Aodhán.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Dowd, Fergus.</i>	
<i>O'Mahony, John.</i>	
<i>O'Reilly, Joe.</i>	
<i>Penrose, Willie.</i>	
<i>Perry, John.</i>	
<i>Rabbitte, Pat.</i>	
<i>Ryan, Brendan.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Twomey, Liam.</i>	
<i>Wall, Jack.</i>	

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

Question declared carried.

Finance Bill 2015: Second Stage (Resumed)

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

Deputy Peadar Tóibín: Before we adjourned this debate to take Leaders' Questions, I was speaking about outputs of the health service and the budget and how the health service, as a key public service, was being seriously negatively impacted by Government policy. Since 2008, approximately €3.3 billion worth of funding has been gouged out of the health service, a large chunk of it by this Government.

1 o'clock

We have heard a number of serious, tragic, difficult cases today during Leaders' Questions.

I want to speak about one specific case and I would like if the Minister could listen to it. It shows how citizens are being impacted by the crisis in the health service. I know a 66 year old woman who has just retired from her work. She worked hard and raised her family. She lives about five minutes away from the hospital and had a stroke. It took 45 minutes for the ambulance to come to her house and take her to the hospital. As with a stroke, time is of the essence. She recovered very slowly and eventually reached a level of recovery where she needed access to the national rehabilitation centre. After being clinically discharged she had to wait 13 weeks in the hospital to gain access to the centre where she had rehabilitation and was able to go home although with much reduced mobility. A year later she had a stroke and went back into her local hospital. Two nurses took her to the shower one day to give her a shower. Given the pressure on the nurses, one was pulled away and the woman, who is now 67 years of age, fell, cracked her head on the shower and suffered a brain injury. She was transferred to a major Dublin hospital where she had brain surgery. The next day she had a blood transfusion. For an hour and half she was given the wrong blood which caused renal failure and other damage to her internal organs. She remained unconscious for eight weeks as a result of the brain injury and the incorrect blood transfusion.

This is a woman who, in at least five separate engagements in a period of three years, has been damaged by the HSE and the health service. After eight weeks she started to open her eyes and to communicate. She had a tracheotomy and started to breathe. She is now in serious difficulty. Her future is a nursing home. This is the damage, the vandalism that has been done to the Irish public services by the gouging of the money from these services and the reorientation of that money through budgets towards paying back the bondholders and so on. There are many other things wrong with the State as a result.

I mentioned earlier that we have reduced education investment, there are high levels of personal debt, low wages, precarious employment, rising rental costs, regressive taxation in regard to water charges and property charges, crippling child care costs and exorbitant mortgage repayments. A third of a million of the population has left the State in the past six years. One in six Irish people live abroad, one in four of the cohort between 20 and 30 years of age. The *Sunday Business Post* conducted a poll recently which found that 62% of the population felt that none of the benefits of the recovery had entered their lives in any way. At the same time the wealthy are getting wealthier. We heard Deputy Eoghan Murphy speak a few minutes ago. He felt that those in upper income range were being discriminated against by the taxation system and called for reform of the universal social charge, USC, so that they would get more money into their pockets.

In the budget, some €180 million was returned to those earning €75,000 and upwards through USC cuts, while there was a €24 million net extra investment in the health service. The difference in priority is clear. Some €69 million was invested in housing, a third of the actual amount of money that went back to that cohort earning more than €75,000, so the wealthy are getting wealthier. The wealthiest 250 individuals in the State saw their wealth grow by 16% to more than €75 billion in the past 12 months.

The week before the budget, Sinn Féin relaunched its alternative budget. Our budget simply sought to reduce the deficit in the same manner as the Government did within the fiscal rules. Our budget was fiscally responsible but it was also socially responsible, which is a key element. It allowed for a competitive economy but also a fairer society. Our budget would

have invested twice as much as the Government in public services and the economy through the development of a fair taxation system which brought in a little more revenue to achieve these aims. It would also have put about €2,000 back in the pockets of ordinary citizens.

As the spokesperson on enterprise I am disappointed that so little was done for medium to small businesses in the budget. We in Sinn Féin believe that those who work hard, use their abilities and who take risks deserve to be economically compensated for those activities. Many very small micro enterprises around the country are being forgotten with regard to this type of compensation. We see the whole of the enterprise strategy skewed towards large FDIs. We welcome FDIs and there is no doubt they are important to this country but we need to strike a balance within the economy. If we do not do so we will not have sustainability. Our alternative budget sought to alleviate some of the tax challenges experienced by very small businesses as regards the tax credit earned through income, similar to the plans the Government introduced. We also sought that small businesses would not be penalised by the increase in the minimum wage. We would increase employer PRSI to 8.5% at the threshold of €377 per week. We also sought to differentiate between positive and active investments when it comes to capital gains tax to ensure that entrepreneurs who do invest in an active fashion in their business get to reap the rewards and that they are differentiated from speculators who simply invest in stocks and shares and seek rewards in that regard.

We also sought to extend the start-up relief for entrepreneurs to self-employed people who had not previously paid PAYE. That programme is aimed only at those who paid PAYE. There is a dichotomy of treatment between the two sectors even though we expect them to start up new business. We have also sought a reorientation in regard to people's spending patterns. One of the major trends in recent years is that people are spending billions of euro more online. That means that billions of euro are leaking out of the country as €3 out of every €4 spent online ends up in another state. What we need to do is increase the capability of local businesses to do e-commerce. We have sought a doubling of the current trading online voucher scheme to keep more businesses at home.

We also sought to speed up the administration of the tax system for businesses to resolve the excessive turnaround with regard to registration. Those delays are impacting on businesses and preventing economic activity from taking place. We also included in our budget that small businesses should be allowed to pay tax on accounts. Rather than having to pay all the tax in one instalment they would be able to pay it over and over, which would alleviate the pressures that exist with regard to cash flow within business.

We sought a 50% relief for indigenous craft beer producers to 35,000 hectolitres because it is an important growing sector of society. We sought to improve the opportunities for small and medium businesses to access public procurement. Currently, there is €20 billion annual public spend on goods, services and capital projects and most small businesses are locked out of that. One of the key changes that has happened in recent years that people do not realise is that governments have centralised that process further, thus making it more difficult for people in local authorities to be able to tender for work, which means that the income gets centralised also.

We proposed that tenders should be reduced to make sure they were more accessible to people. This is a very important point. This and the previous Government has divested massively from infrastructural spend in recent years. The Spring Economic Statement indicated that Government spend in this area would reduce from 1.8% to 1.5% of GDP by 2020. Most conservative economists will say that to maintain capital stock we need an investment of 4%

of GDP in Government spend. The Government is divesting significantly, which is having an effect on competitiveness. We indicated in our alternative budget that there should be a €400 million extra spend in infrastructure, much of it in housing and some in transport infrastructure.

Added up over five years, that comes to €2 billion extra in our budget plan. We also want to increase the knowledge economy by putting extra funds into education, while scrapping the property and water taxes to create stimulus right through the economy.

The Finance Bill refers to the banking sector. It is important we examine what is happening in the banking sector. Yesterday, we heard the disastrous news from Bank of Ireland that it is seeking new regulations which would prevent people from withdrawing less than €700 or lodging less than €3,000 at a bank counter. The reasons for this change of attitude in the bank include information technology developments and pressures due to the crash. However, another major reason is the Government has produced an oligopolistic banking market through its policy of two pillar banks with the rest being small players around these. This leads to oligopolistic behaviour from the banks. That means it is a sellers' market, not a buyers' market. In banking terms that means the banks dictate terms for everything to their customers. We see that with high mortgage rates, higher than they are abroad, as well as high interest rates for business, again higher than abroad, with closures of banks in provincial towns and with the prohibitions on withdrawals and lodgements.

For a viable banking system, one needs many small non-systemic players. This year, on behalf of Sinn Féin, I launched a policy document for the introduction of a public banking system. When some Members on the Government benches think of public banking, they think of reds under the bed stuff. Yet, a large chunk, some 40%, of Germany's banking system is public banking. This is a normal element of most healthy banking systems. Such a development would bring banks back into the locality. In our particular plan, we had a plan for ten regional banks to take away from the concentrated oligopolistic nature of the banking system.

I heard the Minister of State, Deputy Kathleen Lynch, on the radio this morning discussing the health crisis. While she did not mention names, it was clear to anybody listening that she had several arguments with colleagues in government. The Minister of State and her party has only 12 weeks left to make a massive mark. It may be the last mark. If I was in her position, and this was the last opportunity I had to make a significant change on a whole range of policy outcomes from this Government, I would be not making just an argument or a case but a stand for these issues.

Tá sé uafásach nach bhfuil seans ag gach duine sa Teach labhairt ar an mBille seo le linn an lae, go mbeidh an ghilitín ag teacht anuas ar an mBille seo chun bac a chur orainne ár gcuid smaointe a chur os comhair an Rialtais. Táimid tinn tuirseach ag éisteacht leis an Rialtas ag rá, "Jeekers, níl solution ar bith ag an bhFreasúra agus ní dhéanann siad aon rud ach bheith ag caitheamh anuas orainne mar gheall ar an ngeilleagar agus conas é sin a réitiú". Tá mé tar éis dul tríd a lán smaointe maithe mar gheall ar chúrsaí eacnamaíochta agus comhlachtaí agus conas gnó a chruthú. Impím ar an Rialtas stad a chur leis na gilitíní seo agus seans a thabhairt don Fhreasúra labhairt ar na rudaí sin. Níl an Rialtas ag cur bac ormsa, tá sé ag cur bac ar na 7,000 duine i gContae na Mí a thug vóta domsa a gcuid tuairimí a chur os comhair an Rialtais.

An Leas-Cheann Comhairle: Deputy James Bannon is sharing time with Deputies Tom Barry, Anthony Lawlor and Brendan Griffin.

Deputy James Bannon: I have taken part in all of the budget debates since I became a Member of this House in 2007. Throughout those years, Ireland weathered its way through the worst economic crisis since the foundation of the State. Budget 2016 is a landmark budget because it marked the occasion when this country had money to spend for the first time since 2007. My contribution to this debate will focus on how budget 2016 delivered for our rural communities.

In the days after the Budget Statement, several people asked me what budget 2016 delivers for rural communities across the midlands. I summed it up with three points. It delivers relief for farmers, introduces new supports for local businesses and provides more gardaí. Coming from a constituency with a large farming community, and as a farmer myself, the measures introduced in budget 2016 will have an overwhelmingly positive impact, especially for younger farmers. One of the most positive aspects is the tax credit of €5,000 per annum for five years for farmers who transfer their land to successors over time, making it easier for farms to be passed from one generation to the next. Equally, the series of agri-taxation measures, like stock relief and stamp duty exemptions, will all make farming more attractive to younger people and families. This should be warmly welcomed by all sides of the House.

Supporting local business, the budget will encourage job creation and help employers. Throughout the economic crisis, local retailers were the key drivers in the economic recovery, as they were able to generate local employment and keep their local communities alive. Accordingly, it is only fair that this budget rewards those small retailers by reducing costs, which up until now have been hitting them hard. These reductions will come into effect on 9 December and will save retailers an estimated €36 million in fees per year. This budget is a positive one after what has been a stressful time for small business owners and the self-employed.

Rural crime has always been a serious issue, but it has become more widespread as highly mobile criminal gangs use our road networks to target isolated areas and escape with ease. The substantial investment in more gardaí in recent weeks, along with the budget announcement of 600 additional recruits, will boost the 550 who have already started work since the Government reopened Templemore Garda College. While I have raised this issue with the Minister for Justice and Equality already, I would like to put on the record again that I believe a majority of these 600 additional recruits should be stationed in rural communities, along with the introduction of additional community CCTV, closed-circuit television, schemes.

This is a constructive budget. Up to 410,000 fewer people will now pay the Fianna Fáil universal social charge, USC. The past few budgets have been hard, but they made it possible for Ireland to exit the bailout, reduce our debts and move into real recovery. This budget is affordable, responsible and consistent with the Government's plan to eliminate Government borrowing by 2018.

It will drive job creation and support local businesses in rural areas. The Government has prioritised job creation since it took office. The more jobs created, the less tax for those already working and more revenue for providing better services for our people. We are also committed to ensuring work is rewarded and communities across Ireland benefit from this recovery. There is a feel-good factor in the country compared to five years ago.

I also welcome the recent announcement concerning the provision of an additional stroke machine in the Midland Regional Hospital at Mullingar. I also welcome the progress in the new accident and emergency unit in the hospital, with €6 million in funding provided by the

Government for its completion. The provision of 46 primary care centres by the Government is an important aspect for communities. This should be welcomed and is acknowledged by the general public.

Deputy Tom Barry: I welcome the opportunity to speak about the Finance Bill. Looking back over recent years, one of the primary objectives of the jobs initiative was to introduce the 9% VAT rate, which has been a huge success. This success has been built on by the Action Plan for Jobs. Since the outset I was of the opinion that once we got the chance to reduce the universal social charge, we should do so, in particular for the lower paid first and then to work up along the income levels. It was an emergency tax that crippled many people. There have been discussions about those on higher salaries and the tax contributions they make. Many people had an awful lot of commitments before the financial meltdown because they felt the economy would continue to be strong. They have been through horrific times. It is good to see that the universal social charge will be phased out. It has been promised that it will be phased out and this gives a clear indication that the emergency is passing.

I have worked quite a lot in our campaign to support small businesses. I have been in business for 20 years and was delighted to see an earned income tax credit for the self-employed, which will help to level the playing pitch. I hope this new tax credit will yet equalise the tax treatment of PAYE workers and the self-employed and is to be welcomed. It should have been done a long time ago, but now we at least have made a start in that direction. I am also glad to see that the home carer's tax credit is increasing from €810 to €1,000.

I have said this before, but it is important that we look again at the tax relief on qualifying farming leases. One condition of the relief is that leases will only qualify for the relief when the parties to the lease are not related. This is a mistake because most farms are transferred between fathers or mothers and sons or daughters. Most transfers are within families. We need to encourage the transfer of land because the age structure in the farming industry is still far too high, but we are not unique in this regard. It applies across the world, but we now have an opportunity to address it. The conditions could be applied stringently and the scheme could ensure transfers were made done at arm's length and on a commercial basis. A trial period for two years could be considered to see how it would work. If it did not work, we could address the issue again. In effect, it would be a *de facto* retirement scheme.

With tax credits for farm transfers, we would be proactive in ensuring farming became a younger person's game. These are turbulent times in farming, but there is a feel good factor. Milk quotas are gone and we are in expansion mode, but we are also cognisant of the troubles. The capital gains tax exemption of €3 million needs to be examined closely and increased. Huge investment is taking place and the threshold will be reached very quickly. We do not want any impediment to the transfer of farms which creates huge levels of employment.

It did not happen this time and perhaps it might be looked at again, but I would like to see tax relief for people who want to invest in the sugar industry. It would cost approximately €120 million, but the return to the Exchequer would be far greater. It would also show that we were correcting one of the worst wrongs ever done in this country when the industry was removed.

I thank the Minister for Finance for reducing the tax on lorries to €900. This is a fantastic initiative that will benefit the whole industry. The country is involved in moving lots of goods. This is an exports-based economy and this one move will create a huge spin-off. Some people may not understand how important this reduction is. Bringing the tax from €5,000 to €900

makes transport more economical. It will also address the issue of tractors carrying heavy loads. Now it will be easier to do so by lorry.

It has been a good budget for SMEs. It encourages people to get involved in business. We have more to do, but we are making steps in the right direction.

Deputy Anthony Lawlor: I too welcome the Finance Bill. I have been speaking about Finance Bills in one way or another since I was first elected to the council in 1998. In those days I was dealing with the finances of the local authority. Here we deal with the finances of the nation. This is the first budget in eight years that is a little more expansionary and that expansionary focus is welcome, particularly on the capital side where we need to increase spending to build for the future. Whether it is housing, road infrastructure or broadband, this will ensure we will have a growing economy far into the future.

I welcome the maintenance of the home renovation incentive scheme. This is an excellent scheme which has benefited the small guy, not big property developers associated with Fianna Fáil during the years. It is a scheme for the small fellow with a small van on the side of the road. It has allowed people who could not afford to move from a three bedroom to a four bedroom house to extend their properties. I would have liked to have seen something done for retired people who do not have a mainstream income and are not paying income tax in order that they could benefit from the scheme also. Perhaps the Minister might look at the possibility of writing off the DIRT being paid on small savings as part of the scheme.

I would have liked to have seen more being done on capital gains tax for innovative companies which wish to use their knowledge boxes. The rate currently stands at 20%, but our competitors, in particular Britain and Northern Ireland, enjoy a 10% rate. I hope the Minister will signal that his objective is to reduce the 20% rate to 10%.

The innovation in the new motor tax rate for lorries is extremely welcome. A number of large companies operate in my constituency. They provide a service for various industries in the area, including the agriculture and business sectors, by moving material. It is hoped this change in the rate of road tax will have a knock-on effect to the benefit of the ordinary consumer on the street and that there will be a reduction in the cost of some of the products being shipped.

I wish to mention one thing the Minister may not be able to deal with directly but perhaps he will become involved in it at EU level. He said he would like to see every schoolchild have an iPad. In my area a number of schools, in particular for those just starting off, have introduced iPads. That kids are not carrying heavy books to school is a welcome innovation. There is an issue, however, with the VAT rate. The European Union regards the provision of electronic books as a service. No VAT applies to hard copies. If a school is using iPads and downloads books in electronic form, VAT applies at a rate of 23%. The French and Luxembourgish Governments received a knock back in the European court in seeking to reduce the VAT rate to a lower level for electronic books. The European Commission is now reviewing VAT laws. I would like us to make a strong submission to have a VAT rate of 0% applied to electronic books, particularly educational books. I hope the next time we have a Finance Bill introduced and delivered by the Minister for Finance, Deputy Michael Noonan, we will be reducing the VAT rate applied to electronic books to 0%.

The budget is welcome and slightly expansionary, particularly on the capital side, but the capital programmes will deliver. If we want the economy to keep growing, we need to invest

in infrastructure for the future.

Deputy Paul Murphy: The Government got the headlines it wanted for the budget. The minor spat with Professor John McHale did it no harm in that respect. The budget was described widely as a giveaway budget, including by members of the Opposition. Unfortunately for the Government, that is not how it is perceived by the majority of ordinary people. Certainly, the indications in the opinion poll are that people in the Labour Party's base did not consider it a giveaway budget for them. I believe those people are more accurate than those who wrote the headlines and those who described it as a giveaway budget.

It is a giveaway budget for some, such as high earners and big business, and the continuation of a giveaway to the bondholders, but it is not a giveaway for working class people, middle and low income earners and people on social welfare. We saw in the rhetoric surrounding the budget a further step up in the Thatcherisation of the discourse of the Government regarding work and unemployment, with the suggestion that this was a budget for work and that we have a Government for work, just as the Labour Party presents itself as a party of work. This is about the demonisation of the unemployed and trying to get a benefit from some higher paid sections of society. The details in the Finance Bill confirm that assessment of the budget.

It is the fifth regressive budget in a row. It takes some doing by a government that includes the Labour Party to manage to transfer wealth, year on year, from the majority to the small rich minority. The income gap between rich and poor has been expanded by over €500 per year, and over the past two years it has been expanded by over €1,000. One can compare more extreme examples. When one compares a single unemployed person with a person earning €75,000 per year the gap is even more incredible. The single unemployed person gets €95 per year, which is €2 per week, and the person on €75,000 gets €900 per year, which is €17 per week.

The Government could do with being reminded of what an average income is in this State. It often talks about middle income earners as if the average person in the State earns approximately €70,000 or more each year, that is, the people at whom these budgets are aimed. Obviously, that serves a purpose in terms of the propaganda the Government is trying to get across. However, half of the people in this State earn less than €28,500 per year, and half of the people earn more than that. The reality is that middle income is between €25,000 and €40,000 per year. Those people got very little from the cuts to the USC. Somebody on the average income of €28,500 got an extra €5 per week. If they are in private rented accommodation, that is wiped out. If they were paying the water charges, which thankfully they are unlikely to do, it would be gone. It is also gone if they are paying the property tax. If they are suffering under all of the effects of the continuing austerity in health and education, and in some cases being pushed into the private sector in those areas, it would be gone. There is no giveaway budget from the point of view of low or middle income workers.

As regards the increase in the minimum wage, any increase is welcome. It is the first increase in the minimum wage in eight years. Our minimum wage is still 25% lower than the living wage of €11.50 per hour. The living wage is calculated on what a single person with no children basically needs to survive. There are huge numbers of people - one in four workers - living in deprivation as a result of being in work. In many of the homeless couples who seek my help one of the people will be in work. There is a flowering of low pay, short-term, precarious contracts and this budget does little to deal with it. It says it is okay to have a minimum wage that is 25% below what is needed simply to survive.

Then one looks at what was given, or not given, to people on social welfare, which is still a substantial section of the population. They got nothing, aside from a Christmas bonus. An extra €1.81 per week is all that was given to people who are finding it extremely hard to get by. In many cases they will be in the private rented sector, so they are given effectively nothing. That is the impact of the budget and this Finance Bill from the point of view of the majority.

Contrast the Government's approach to social welfare with its approach to corporate welfare in the budget. Approximately €15 billion is spent each year by the State on various elements of corporate welfare. It is huge expenditure. One never hears about corporate welfare fraud, wasters on corporate welfare or the like. That language is reserved for unemployed people. Corporate welfare was increased again in this budget. There is a cut in capital gains tax from 33% to 20% for SME owners selling their business for a capital gain of €1 million. Most small business owners are not selling their businesses for €1 million, whereby they can take advantage of this. This applies to the larger SMEs.

There is no increase in the bank levy, which remains at only €150 million per year. Banks can still write off the losses incurred during the crash, and bailed out by us, against their profits for corporation tax purposes. This means many of the banks will not be paying any taxes on their profits for years to come. In the case of Bank of Ireland, that is over €1 billion that it will not pay. There are also two cuts to employers' PRSI.

The cherry on the cake in the project of corporate welfare is the so-called knowledge development box. The knowledge development box is a replacement for the double Irish arrangement. It is a means of legal tax avoidance by the major multinational corporations, the developmental model employed by this and previous Governments. That model is about engaging in tax competition across the world to attract multinationals to this country, regardless of the impact on society, employment or anything else. It basically seeks to get them here with an offer that they pay no tax. There is a headline rate of 12.5%, but they do not pay anywhere that amount. Apple, Google, Facebook and so forth are paying approximately one tenth of that, or less. Now we are introducing a new regime with the knowledge development box, modelled on the British model, to facilitate them paying even less.

It is estimated that this will cost €50 million. That is equivalent to all of the increase in capital spend on housing in the budget. If that had not been introduced, the Government could have doubled that capital spend. Furthermore, will this figure expand? Will it cost more than €50 million this year? Will we be budgeting for €100 million for the next year and €200 million for the following year? Will this become the scheme that is central to selling Ireland as an attractive location for big multinationals, on the basis that they will not actually have to pay their corporation tax here?

I refer to the petroleum production tax. It appears to be a marginal improvement. However, if anything it highlights the incredible giveaway that has taken place in this State, particularly under the change of terms under former Minister, Ray Burke, and former Taoiseach, Bertie Ahern, whereby Shell, Statoil and other major multinational oil companies, really dirty big oil companies, were told they could have oil and gas for nothing. There are approximately 20 billion barrels of oil equivalent in Irish waters. At today's low prices that is worth approximately €1 trillion. Ireland has one of the most attractive regimes in the world in terms of a lack of taxation, a lack of royalties and so forth. Companies are allowed to write off all their exploration costs and so forth against their corporation tax. This tax will not change that. It will not make a fundamental difference.

Successive governments have presided over a massive giveaway of huge amounts of natural resources and have denied that they were there. We must have an alternative. That involves taking them into democratic public ownership, developing a State exploration company and, in particular, having a responsible attitude to what amount of oil and gas is taken from the ground. This world does not need more fossil fuels and we might be better off leaving it there.

To conclude, there was and remains an alternative. All the Thatcherite dogma of the Government is simply not true. The AAA budget statement outlined how the Government could have reversed all of the cuts that have taken place in health, education and social welfare, and cut the regressive taxes on ordinary people, and it could have done it by going after the wealth that exists in our society through income tax, financial transaction tax, millionaire's tax, corporation tax and so on.

Deputy Thomas Pringle: This Government's budgetary strategy continues to prioritise high earners and industry at the expense of vulnerable people, people on low incomes and those on social welfare. Despite a few relatively positive initiatives in the Bill, such as the increase to the home carer tax credit, the fuel grant for disabled drivers and country by country reports on parent companies filing their tax returns, there is actually very little in the Bill that attempts to reform our current tax system and make it reflective of a fairer, more equal society.

I would be naïve in thinking this would ever be Fine Gael or Labour's way. I do, however, want to counter the argument that the Bill is a progressive one. I will start with the notion that the new petroleum production tax is a progressive measure when, in fact, the Government took the option that affected industry the least. I sat on the Oireachtas committee on communications, energy and natural resources and I read the report on oil and gas exploration published in 2012, which recommended that, on smaller-scale petroleum fields, the tax should be 40%. The Government proposes a rate of 30% in the Finance Bill, which is giving effect to a decision made by the former Minister for Communications, Energy and Natural Resources last year. That 30% is 10% less than the recommendations of the joint committee. Worse still, the report recommended that for large profitable fields, the tax should be 80%, but the Minister, Deputy Noonan, in this Bill puts the maximum tax on productive fields at 55%. It would not be fitting to call this a progressive tax as it is far removed from the committee recommendations, where rates were in line with the Indecon report findings. It is also a perfect example of the Government's loyalty ultimately lying with industry and compromising its policies to kowtow to industry needs.

Another anomaly in the Bill is in regard to the annual stamp duty charge of €2.50 on ATM and debit cards, which is being abolished from 1 January 2016, when it will be replaced with a new 12 cent ATM withdrawal fee. While this might seem progressive, it will impact most on those who do their business through cash transactions and will also attack vital services such as the post offices, which work mainly through cash transactions. What we should do in the Finance Bill is make it cheaper for retailers to do their business. There should be incentives to support post offices, alongside the introduction of this measure. That would show the Government is serious about economic recovery across rural Ireland.

Most of the supports and tax benefits in the Bill are oriented towards the tech giants, which get preferential treatment for bringing in the jobs and putting Ireland on the global tech map. When will we see progressive policies to bring about indigenous industries that do not end up getting bought out or exported? Fostering local industry and alternative industries like biomass and renewable production has the potential to grow local and sustainable rural jobs. These in-

dustries would foster companies that could be established in peripheral counties, like Donegal and the counties of the western seaboard. The introduction of the tax exemption for the felling of trees will actually benefit larger operators more than the family farmers in the forestry industry.

A first step could have been introducing a measure in this Bill that would prioritise the roll-out of broadband to rural peripheral areas, working its way from rural areas into urban areas and offering scope for people to create their own jobs and grow their businesses. The impact broadband connectivity could have on the growth of SMEs and start-ups in rural constituencies in Donegal and across the country is huge. ISME recently published statistics stating that only 14% of SMEs are currently capable of fully trading online, while a further 8% can take orders but not payments online. This presents small businesses and potential start-ups with a disadvantage and should have been reflected in this legislation.

The introduction of initiatives such as the knowledge development box, providing for a 6.25% rate of corporation tax for multinationals which avail of it, is basically another way of assisting them to avoid tax and avoid paying their fair share. We could have included in the Bill a measure to introduce a minimum effective corporation tax rate across the economy, for example, setting a minimum effective rate of 6% on corporations, which would be less than half of the headline figure of 12.5% and would bring an extra €1 billion into the Exchequer. This could then be used to the advantage of many people across the country.

There is an issue with capital gains tax for farmers whose land is subject to a compulsory purchase order, CPO. I ask the Minister to consider exempting the purchase of land through CPO from capital gains tax. In these cases, the farmers are not looking to gain on their asset; instead the asset is being taken from them without their consent and being compulsorily purchased. There is no doubt this is done to progress vital infrastructure projects such as road developments. However, I do not believe farmers should be penalised by having capital gains tax levied on the income from the CPO. It is different when someone sells an asset in order to profit from it and in such cases this should attract a tax liability.

On an issue that affects the Border area, where one partner of a separated couple has custody of the children in the Six Counties and the other partner lives in the South and has access to the children, they are not able to avail of the single person tax credit. This should have been dealt with in the Bill. While it does not affect a huge number of people, for those it does affect, it has a big impact on their ability to support their children when living outside the State.

Beyond the packages outlined in the Bill, the Government has missed an opportunity to present a more progressive stance on the areas of taxation and regional development. While the USC increase in tax credit to €13,000 means that 700,000 people will be taken out of the USC net, and this is good for them, it shows we are focused on a low pay economy in this State. Some 700,000 workers represents about 35% of the entire workforce and this highlights the low income focus of this Government and the number of people who are struggling. Instead of finding quality jobs for people to work in, and making the transition to get that work easier, the Government is subsidising low income jobs. We are developing into a low pay economy and it means rural areas like Donegal will remain with incomes well below the national average. I do not believe this is progressive but we should not have expected anything better from the current Government.

Acting Chairman (Deputy Jack Wall): Deputy John Deasy is sharing time with Deputies

Patrick O'Donovan and Michelle Mulherin.

Deputy John Deasy: I would like to talk about the knowledge development box and the issues surrounding foreign direct investment. It is fair to say we needed to do something once the Government agreed to abolish the double Irish tax relief, which is being phased out over five years. The partial solution arrived at is the knowledge development box, otherwise called a patent box. It is nothing new. Other countries have used and are using them. It amounts to a tax relief based on the amount of innovation and research a company undertakes. We already have an R&D credit which allows for a rebate on salaries. My understanding is the new relief will strictly adhere to the OECD guidelines. This is important, because it can only apply to intellectual property developed in Ireland domestically and will allow a company to lessen its tax bill on its profits. Therefore, it is fairly narrow and, on the face of it, does not seem to match even remotely the potential downside of ending the incentive of the double Irish tax relief, however one feels about that tax relief.

The fact companies will not be able to claim relief for research and innovation outside the jurisdiction but within their own company makes the impact of this fairly limited. It will, of course, be of interest to some companies, but we have to ask ourselves whether it will have mass appeal to multinationals. The answer is “No”, one of the reasons being that many other countries, particularly in Europe, are doing exactly the same thing. For example, the Dutch patent box has an effective rate of 4% to 5% whereas the rate in the Finance Bill is some 6.5%. Why are we doing this if it has a limited impact? I believe the answer has to do with the controversy that surrounds companies like Apple and Google paying little or no tax, which has not gone away yet. It probably seemed wise to make some changes to try to avoid repercussions down the line before the idea of a consolidated European tax base rears its head again. This leaves us in a situation where in four years' time, when we arrive at a level playing field, we may be as attractive, or unattractive, as every other European country in this regard.

This brings me to the matter of Paddy Cosgrave and the web summit. I listened to Mr. Cosgrave on “Morning Ireland” on Tuesday and since then, I have heard him described as being petulant and lecturing. My first impression was that senior civil servants would not be used to being spoken to as they were and certainly would not like being questioned in that manner and I am around long enough to be aware of that. However, when we analyse what Mr. Cosgrave sought, it was not so mad at all. In fact, his WiFi and traffic management requests seem downright reasonable. He may have been a bit in the face of civil servants used to dealing with people in the old style of “Begging your pardon, Sir” but we should remember what this man has done. He co-founded an event that has grown from 400 people to 40,000 in four years and he probably did not achieve this by being pushover.

This country is not yet in a position where we can afford to lose this kind of business. Why were other countries allowed the opportunity to poach this summit? It is clear we did not take the organisers of the web summit seriously when they threatened to pull out. Ten years ago, we were the ones poaching business from other countries. We had the edge and grabbed the multinationals and landed them, in the face of intense competition from around the world. As a country, we still act as if we are significantly larger and richer than we are. I guess that if the web summit scenario occurred in the United States, it would have been dealt with swiftly, face to face and there would have been no need for the million e-mails between Mr. Cosgrave and the Department of the Taoiseach. Looking in from the outside, I think what was needed in this situation was common sense, a bit of pragmatism and a desire to solve the problem.

This brings me to the issue of problem solving in the context of industrial development. This fits in with my view that we must adapt to attract foreign investment. Take for example the situation in which I have found myself in my home town of Dungarvan. For the past six months or so, we have been attempting to get the IDA to take over an empty factory in Dungarvan. This project was initiated when the IDA was testifying at the Committee of Public Accounts. We put a proposal to the IDA to have the building included in its property portfolio in order to market it abroad. This proposal has progressed but some horse trading needs to be done, amounting to a cost of approximately €200,000. We have a tender to refit ready to go and the submission has been made to the IDA but we need somebody to make a decision. We are beginning to feel a little like Paddy Cosgrave - a million e-mails but no action. The organisation involved in this idea is a good one and is headed by somebody who is highly regarded. I called him about this issue and he called me back but we have not yet met. Issues like this take too long to resolve. I need somebody in a senior position in the IDA to sit down and make a deal with my county manager and somebody to come up with an arrangement, to be done with it and to move on. Too many e-mails are sent but too few decisions are made.

The budget announced a regional building programme for the foreign direct investment al- luded to in this Bill. That is great but in the case of the project in Dungarvan, we already have the building. If we had to cost an equivalent new build, it would amount to approximately €1.5 million. Where are we going in regard to this? The Government needs to take an interdepart- mental look at how attractive or unattractive we may be in a few years, based on changes in our tax code and pressure from the European Commission and the OECD. It must also take a look at decision-making and at how it interfaces with local authorities and those involved in private industry in this country.

The development of the knowledge development box is useful but limited. We will need to come up with a lot more if we are to make up for the ending of the double Irish tax relief.

Deputy Patrick O'Donovan: I wish to draw attention to the amateur theatrics we had here less than an hour ago and to the false indignation and so-called concern in regard to the Finance Bill and the time allocated for this debate. Neither the Sinn Féin nor Fianna Fáil spokespersons on finance, nor anyone from either party is present now. They will come in and huff and puff about the level of debate on this Bill but it is not important enough for either of their spokes- persons to be in attendance. As the Minister for Public Expenditure and Reform said earlier regarding the discourse on Second Stage, he would encourage Members to get into more de- tailed discussion on Committee Stage. They, of course, went through the motions of their false indignation and outrage but now when push comes to shove, they do not even turn up here.

I welcome the opportunity to speak on the Finance Bill and the provisions announced in the budget. Much of what was in the Budget Statement has carried over into the Social Welfare Bill and the Finance Bill. There is no doubt that this is a bad day to be in opposition. Anybody who would have said four and a half years ago that we would be presenting a budget and set of financial measures now that reclaim many of the difficult impositions enforced on people fol- lowing the mess the country was landed into by the previous Government would have had to be forgiven for engaging in wishful thinking. However, that is what we are doing. We are in a situ- ation where the hated universal social charged introduced by the previous Government is being reduced and where the effective rate of tax is less than 50% for the first time in a long time.

Other tax measures are also being taken, for example, measures regarding taxes that affect the self-employed and farmers. Farmers play an important role in my constituency and the

Irish Farmers' Journal summed up how the budget would be perceived in rural areas with its banner headline, "Farmers' Budget". Farmers are the backbone of many of our constituencies and some Members bemoan the constant running down of rural communities. The economy of rural communities is being driven very effectively by what is happening inside the farm gate and this has had a knock-on effect in recent months and years outside the farm gate.

I only need to look at my native town of Newcastle West to see this. Following State and private investment in the past 12 months, confidence is returning to the area. This is mirrored in towns across the mid west and is driven by the large urban centre in Limerick. It is no coincidence that the Minister for Finance has his eye very much on the ball in regard to the work being done in the mid west, particularly in regard to Shannon Airport and Foynes, and is aware how the economy can be driven forward with investment through the capital plan.

This is probably a bad day from the point of view of the Opposition, because the Bill contains none of many of the measures it sought, such as flat taxes, land taxes, tax on work and increases in the USC and employers' PRSI. None of this was needed. Instead, in simple terms the Minister delivered a budget that provides that everybody who works will be better off to the tune of an additional week's take-home pay.

2 o'clock

That is a lot and will be welcomed by anyone who has looked back over the last four years. Previous speakers have alluded to the Bill itself. I compliment Fianna Fáil Deputy John McGuinness, who summed up the value of the Minister for Finance and the legislative end of the Bill. He was very positive, unlike some of his colleagues who were engaged in opposition for opposition's sake.

There is an issue for disabled drivers which needs to be examined. Several people have referred to it already. I had a case recently of a blind civil servant who was relying on his parent to take him to work, until the point at which the parent was no longer in a position to drive him. He works in County Clare. Under the current rules, a blind person is not eligible for the disabled drivers' tax exemption. Through his good offices, the Minister for Finance was able to accommodate a very important issue in this but more needs to be done to flesh it out. What greater disability could one have in terms of getting to work than not being able to see? If people are to be encouraged to have an active, normal role in the community and a full life, they should be encouraged to work. In the case of a blind person who needs a car to get to work, the exemption should be available for a family member, carer or trusted driver. I ask that this measure be considered.

There are now 700,000 fewer people paying the USC. Deputy Pringle was right in welcoming this, but then decided he was going to have a go at it. Maybe he would prefer the people to be back paying the USC. He might have an issue with the current Government exempting them. Government measures such as the Low Pay Commission, the increase in the minimum wage announced by the Minister for Public Expenditure and Reform, the Action Plan for Jobs and the 1.5% reduction in several bands of the USC will make a real difference in houses where there are low-paid people. Like the measures for the self-employed and hauliers, on whom we all depend to transport goods around the country, these are real, tangible improvements.

I do not want to take any more time from Deputy Mulherin. I welcome the Bill. Its provisions show that the recovery is working. I challenge all of the representative organisations

- farmers, employers, unions and everybody who meets us over in Buswell's hotel in the weeks running up to the budget - to start looking at everybody's proposals. They should look at those of the Fine Gael and Labour Government and those of the Opposition with its land taxes and everything else and do an honest appraisal. They should then advise their members as to what should and should not be done to continue the recovery. It is fragile, very open and susceptible to outside shocks. The biggest outside shock the recovery could get is from the Opposition benches.

Deputy Michelle Mulherin: Go raibh maith agat. I welcome the opportunity to speak. The Finance Bill takes cognisance of so many issues on which we have been lobbied, as Deputy O'Donovan has said. The pupil-teacher ratio has been reduced, there are provisions on child care, more people have been taken out of the USC net, income tax is reduced and so on. Money is being put into services. It was not concocted overnight; the Government and the backbenchers have been listening. There has been dialogue with stakeholders and individuals. On the whole, it is a very hopeful budget and the Finance Act will fulfil that.

One area which needs a very focused approach is the situation regarding our market towns. This is particularly obvious in rural Ireland but also applies throughout the country, as I know from talking to backbench Government Deputies. There has been a lot of investment in farming and we have a dynamic Minister in Deputy Coveney but that is all inside the farm gate. Market town centres throughout my own County of Mayo are dilapidated. A number of years ago there were people living in these towns and the places were buzzing, but very few live in them now. We see old townhouses, very fine commercial buildings, in a state of decay.

This did not happen with the collapse of our economy and the banking crisis, it was going on during the Celtic tiger. Shopping trends changed and people wanted new houses further out. No matter how good things are in certain areas and how much improvement we see, we go back to the same point. These monuments of decay, as I call them, are quite depressing. The Minister of State, Deputy McHugh is a rural representative as well and will have seen it.

We need spatial planning involving perspective and impetus from local government, along with tax breaks to encourage people to come back, do up these properties and live in the towns. We have, I believe, 200,000 empty private properties in the country, not to mention those owned by local authorities. A lot of these are in town centres. An incentive, not investor-developer led but offered to individuals who chose to come back to live in town centres, in the form of either a tax break or a grant, should be seriously considered. Why would we not want people to live in town centres? It makes more sense than building out in the country where services and all the rest have to be brought out. We have fine buildings in the town centres. Let us take the same approach as all of those lovely European villages we like to visit on holidays in Spain and France. We should renovate the buildings, put in the facilities and give them some TLC. We should make town centres vibrant places again, such as people would want to go to.

We also need a reality check. There is not going to be a corner shop everywhere as retail has changed. People want to go to multiples and shop online. We have to be more focused on the niche sectors. In conjunction with councils, we need to decide what the town centres are and support independent traders and small businesses. In the UK they took an initiative called the "Tesco levy". Multiples are very welcome here as they provide a lot of employment, but there has to be a balance. We cannot treat multiples like small independent traders. We should consider bringing in a similar "Tesco levy" which would see multiples such as Tesco, Aldi and so on pay rates on a higher basis than the small independent traders. Small traders and com-

mercial premises in the centres of towns should then get a reduction in their rates. Why are they on the same playing field when there is no comparison? A small shop pays the same amount for its cigarette, wine or petrol licence as Tesco. I do not mean to single out Tesco. UK studies showed that 50% of money spent in multiples leaves the local economy, while 90% of money spent at small independent traders stays there.

I appeal to the Minister for Finance on this. Let us have a vision for rural Ireland and get the local authorities involved. Let us incentivise and have tax breaks, not for investors or developers but to make a meaningful impression on rural Ireland and give it a boost. Normal market forces during the Celtic tiger did not help the situation. Are we going to be forever looking at decay in our town centres? Let us do something. Finance and taxation form a crucial part of addressing this issue.

Deputy Denis Naughten: I am sharing time with Deputy Billy Timmins. I welcome the opportunity to speak on the Bill. The budget has, in fairness, tried to reward work and encourage people off the live register and back into employment. This morning we were circulated with the Department of Social Protection's assessment of the budget, which states that 80% of those unemployed would be substantially better off in work. There are anomalies in that. Family income supplement is not being promoted the way it should be. We need to assist people and show them where the incentives are and where the anomalies are to take them out of the system.

I welcome the Minister for Finance's announcement in the budget that retailers will be supported by reducing the processing costs of electronic payments. This is a welcome development that will support approximately 280,000 jobs in the retail sector, which is the largest sector in the indigenous economy. However, I cannot understand why this measure is kicking in on 9 December. The Minister of State knows that 8 December is the Feast of the Immaculate Conception and that on that date, people from the country traditionally came to Dublin to do their shopping. It was always one of the busiest shopping days of the year and yet this particular measure is kicking in the day after. Things have changed dramatically in recent years and Christmas shopping now starts on 1 December and runs right through to 24 December. I cannot understand why this measure was not introduced from 1 December. Why was the date of 9 December picked out of the sky? I know this is coming in as part of an EU directive and that to a certain extent, the EU is forcing the Government to do it. In the UK, this measure is being implemented this month. It is not waiting until December. I ask the Minister to amend this introduction date and give retailers an additional boost by allowing this to commence from 1 December. This additional boost would be approximately €1.4 million in savings to retailers across this country, many of whom are struggling to keep their doors open. It would be a significant support for them in the run up to the Christmas period and would help and promote electronic transactions, so I again ask the Minister to look at this issue before this Bill is enacted.

The second issue I wish to raise concerns small businesses and access to cashflow. The difficulty is that some clients of small businesses know that once the service has been provided or the work has been done, it is very difficult for the debtor to get the money out of that client, particularly if the value is less than €2,000. The person who is owed the money has two choices. They can write it off as a bad debt or take legal action. They must then go through the courts and pay a solicitor's fee and there is no guarantee that at the end of this process, they will actually get paid, so many of them end up writing it off as a bad debt. I suggest that we open up a small claims court to deal specifically with these small debts of less than €2,000. If a business is owed €200 by ten companies, that is a week's wages and there is nothing that business can do to access that money. It would be a significant step forward in supporting local small businesses

in improving their credit flow.

I know that the Minister for Finance was very critical yesterday of Bank of Ireland, as were other members of the Government. Bank of Ireland basically does not want cash customers any more. I am in possession of a provision under the mandatory electronic filing and payment of tax regulations of 2014 from the Revenue Commissioners. A letter was sent to a 75 year old widow who is severely arthritic in her limbs and joints telling her she would face a fine of €1,520 if she failed to make her tax returns by electronic means. This woman has never switched on a computer, let alone used one. She has no Internet and no computer skills or training. At the bottom of the letter, it states that Revenue may exclude a taxpayer from their obligation to file and pay electronically if the taxpayer applies for this. However, it does not make sense to send letters like this to pensioners. This woman is 75 years of age and is getting over the loss of her husband who did all her financial transactions. Now she must cope with making tax returns and receives a letter from the Revenue Commissioners demanding she makes an electronic return when she does not even know where to access a computer. We need to look at the approach that is being taken right across Government and society in trying to force people who are not electronically literate, and who may not even be literate, down this road, regardless of whether it is the banks or the Revenue Commissioners. There should be an easy and accessible mechanism to get a waiver in respect of this rather than having to write in and apply. Many people, particularly those who have not been used to this up to now, tend to panic once they get the letter from the Revenue Commissioners. I urge the Minister to withdraw this letter, which has been sent out to quite a number of older people across the country. What is sauce for the goose is sauce for the gander. While the Minister is correctly lecturing Bank of Ireland about what it is doing, he has a responsibility to ensure that his Department and the agencies under its control do not send out letters such as this. I hope that on Committee Stage, an amendment is tabled so that this particular regulation is redrafted in a responsible manner, taking into consideration those people who are receiving these letters.

Acting Chairman (Deputy Jack Wall): The Deputy must conclude.

Deputy Denis Naughten: I have another two minutes left.

Acting Chairman (Deputy Jack Wall): It is 2.17 p.m. and I should have called on the Minister of State to reply at 2.15 p.m.

Deputy Denis Naughten: I will conclude.

This is the first “others” slot on the Finance Bill. I did not have the opportunity to speak on the budget as we only got one slot on that. It is in Standing Orders that our grouping is entitled to contribute to these debates and it is a disgrace that we are not even getting one full slot to discuss this. I want this recorded and brought to the attention of the Ceann Comhairle.

Acting Chairman (Deputy Jack Wall): The next speaker is Deputy Timmins, who has two minutes.

Deputy Billy Timmins: I am sorry but I am not satisfied with two minutes.

Acting Chairman (Deputy Jack Wall): As a courtesy to him, I am allowing the Deputy two minutes but according to the Order of Business, I should have called on the Minister of State to reply at 2.15 p.m. If the Deputy does not want to take the two minutes-----

Deputy Billy Timmins: This is probably the most important legislation to go through the House this year. I will not make reference to the commitments that were given in the past about democratic accountability and the democratic revolution. I was a party to them myself. I deeply regret that the Government has chosen to adopt this approach and at the eleventh hour, to put out an amended order to guillotine this most important legislation.

Deputy Naughten made a point about a certain cohort of people in this House having virtually no access to speaking time. It is not just the Government that is at fault. Our so-called friends in the Technical Group - the great defenders of democracy - are quite guarded in respect of the time they are allocated and will not give time to our grouping, which is known as “others”.

I ask the Acting Chairman to use his position to request the Minister to give me a full ten minute slot. I have listened to Deputy O’Donovan lay down a challenge to the interest groups that come to Buswells Hotel or wherever he mentioned to actually examine the proposals of the Opposition and what it has to say about the budget. Renua Ireland published its pre-budget submission but this is the only real forum we have in which to articulate our views. We do not have access to State funding, unlike the other groupings in here. We cannot hire a big hall with our big green sign stating “Action Plan for Jobs” or “Measure No. 167 now taken” behind us, invite the media and put on a big display. We do not have that access but this is the one place where we should be treated in an equal manner. I have listened to a lot of hot air inside and outside this House about equality and recognition of ethnic groups. Some Government spokespeople last night spoke in favour of a motion and they had not the courage to turn up and vote for it. I am sick and tired of the approach of letting what the Government does go by. It has become almost a standard procedure that there is nothing unusual or abnormal about the Government because it has a big majority rubberstamping legislation and letting it through. This House has become increasingly irrelevant, day by day.

Deputy Michael McGrath: Hear, hear.

Deputy Billy Timmins: It has become irrelevant because the Government has made it so and because many sectors of the Opposition, including the Technical Group, have been complicit in making it irrelevant.

I want to make a speech on the budget. I have used up a couple of minutes and have about eight minutes left in my ten minute slot.

Acting Chairman (Deputy Jack Wall): No, the Deputy does not. I am allowing the Deputy two minutes. I told him when he started. I asked the Minister of State at the Department of Arts, Heritage and the Gaeltacht, Deputy McHugh, and he says he wants eight minutes. According to the order of the House today I must bring this debate to a vote at 2.30 p.m. That is what I intend to do. The Deputy has two minutes.

Deputy Michael McGrath: Where does it say the Minister must have eight minutes to wrap up?

Acting Chairman (Deputy Jack Wall): It says not alone eight but 15.

Deputy Michael McGrath: Where does it say that?

Acting Chairman (Deputy Jack Wall): According to order No. 125.

Deputy Michael McGrath: It is not in the order that was voted on.

Acting Chairman (Deputy Jack Wall): That is what I have here in front of me and that is what I intend to do.

Deputy Michael McGrath: What is in front of the Acting Chairman?

Acting Chairman (Deputy Jack Wall): It says in accordance with the order of the Dáil today consideration must be brought to a conclusion at 2.30 p.m.; therefore, the Minister should be called to reply no later than 2.15 p.m.

Deputy Michael McGrath: That is not what was voted on, the bit that says “therefore” the Minister gets eight minutes to wrap up.

Acting Chairman (Deputy Jack Wall): I can only do what I have in front of me.

Deputy Michael McGrath: What is the status of what is in front of the Acting Chairman? I had a similar experience a few weeks ago when my time was cut short because a Minister was given a wrap-up time. What is the basis for that ruling?

Acting Chairman (Deputy Jack Wall): It comes from the officials of the day, under rule No. 125. That is what I must adhere to, according to what is in front of me.

Deputy Timmins has two minutes.

Deputy Billy Timmins: I appreciate that the Acting Chairman is one of the fairer Members of the Oireachtas and he understands what has happened here, which has been happening over recent months. I thank him for affording me some time.

With respect to the budget, just because a Minister says something is so does not mean it is actually so but I acknowledge that the economy has improved and is heading in the right direction. There are many groupings responsible for that. It is important to recognise the role of the troika although it was depicted as cramping our political system, and the role of the late Brian Lenihan, and if I may make so bold, the former Taoiseach, Brian Cowen. Notwithstanding the many errors they made and that their Government destroyed the economy here, at the 11th hour, at one minute to midnight, when they had no choice a system and policies were put in place. Many people have suffered in their implementation. The current Government has carried through those measures.

It is equally important to recognise that the economic collapse resulted in the setting up of certain bodies, one of which was the Irish Fiscal Advisory Council. The role of the Central Bank was changed. The Minister for Finance acknowledged in his opening paragraph that we pay heed to such bodies as were set up to ensure that politicians do not run away with themselves.

The accountancy trick with respect to the Supplementary Estimate and the spending on budget day was not in keeping with the spirit of the way business was supposed to be carried out in this House. We in Renua Ireland believe that Irish people pay too much tax and brought forward a flat tax proposal of 23%.

Acting Chairman (Deputy Jack Wall): The Deputy has one minute left.

Deputy Billy Timmins: I know it might not suit some of the Acting Chairman’s Labour

colleagues but I know that he would be very amenable to it because he is a progressive, positive Deputy. We brought it forward because we believe welfare and low wage traps have existed here for many years. We can pontificate and articulate about, and throw money at, our welfare problem but successive governments, particularly the two or three preceding this one, used it as a political bribe addressing the material aspect of welfare instead of addressing its motivational aspect. Until we give a hand up rather than a hand out we will have that difficulty. There are many marginalised people in this society, over several generations, and that will remain so unless we change policy. We have to bring in a flat tax rate. This Government's tax policy is progressive but penal. We want one that is progressive and fair, that will get rid of the wage trap, encourage employment and, equally important, will bring the 200,000 young people who are abroad back to this country.

On the issue of housing-----

Acting Chairman (Deputy Jack Wall): The Deputy must conclude.

Deputy Billy Timmins: I thank the Acting Chairman for his indulgence. I have a small pragmatic point to make, which does not involve rent supplement, pension funds or development properties. Why does the Minister for the Environment, Community and Local Government not tell the local authority directors of planning and housing to approach the people who had lodged planning applications and ran into difficulties in recent years to bring forward proposals to build houses? We need housing supply. From what I have seen of local authorities, with the best will in the world, they will not solve the problem.

Acting Chairman (Deputy Jack Wall): The Minister of State has five minutes.

Deputy John Deasy: Three minutes.

Minister of State at the Department of Arts, Heritage and the Gaeltacht (Deputy Joe McHugh): I thank the Acting Chairman for the introduction to the new Kildare-Wicklow two minutes.

I will not have time to cover all the points but I will try my best.

Deputy Michael McGrath: On a point of order, where is the Minister for Finance?

Acting Chairman (Deputy Jack Wall): I do not have a clue.

Deputy Michael McGrath: It is customary that the Minister for Finance would wrap up the Second Stage debate and address many of the points that Deputies have raised. It is not acceptable, with all due respect to the Minister of State, that the Minister is not here to wrap up Second Stage, which has already been guillotined. It is not acceptable.

Deputy Joe McHugh: The longer we continue with this the less time I will have.

Acting Chairman (Deputy Jack Wall): The Minister of State is here to respond and that is the order of the House.

Deputy Michael McGrath: It is a joke, a complete joke.

Deputy Joe McHugh: The Minister for Finance, Deputy Noonan, has already said that the changes announced by Bank of Ireland around in-branch lodgements and withdrawals represents a commercial decision for the bank but he considers these changes surprising and un-

necessary. The Minister notes that the bank has given a commitment to assist more vulnerable customers in their branches and he does expect the bank to honour fully this commitment and ensure that customers will be facilitated through the existing arrangements where required.

In reference to Deputy Michael McGrath's proposal for a White Paper on banking, this Government already has a banking strategy that is working. The successful outcome of this policy can be seen in the annual increases of new sustainable lending to households, small and medium enterprises, SMEs and industry. It is particularly important that the increase in new lending is occurring in tandem with a reduction in the overall stock of debt due to the risk posed by high levels of private indebtedness to our economy.

Deputy McGrath referred also to the Central Bank and its guidelines. The purpose of these new macro prudential measures is to mitigate systemic risk and promote financial stability, to increase the resilience of the banking sector and households to the property market and to reduce the risk of credit spirals from developing in the future. These new measures are a crucial and fundamental part of the new more intrusive bank regulatory framework put in place to prevent future systemic banking problems. There is, of course, an appropriate balance to be struck. The Central Bank recognises this, and is committed to monitoring the operation of the system on an ongoing basis.

Turning to the Bill itself and further to Deputy McGrath's suggestions in relation to the indexation of the standard rate bands, this was an option Minister Noonan considered in the course of his budget deliberations. In view of the limited fiscal space available, he chose instead to focus the budget package on reduction of the three lowest USC bands, as this benefitted every taxpayer with USC-liable income of €12,012 and above.

Deputy McGrath asked for an estimate of the number of additional taxpayers who will enter into the higher tax rate as a result of wage inflation, who would not have done so if the rate bands had increased by €400 per person. The Revenue Commissioners have estimated that such an increase would remove approximately 10,000 income earners, each earning over €33,800, from the 40% rate in 2016, at a maximum benefit of €80 per person. The Minister would, however, note that these same individuals will see a benefit of €227 per annum as a result of the cut in the 7% USC rate to 5.5%, which will apply from 2016 on incomes from €18,668.

Deputies McGrath and Murphy noted that the earned income credit falls short of full equality, and the Minister agrees that significant differences remain between the taxation of employees and the self-employed. However, some of these differences are to the benefit of the self-employed and any attempt to equalise fully the positions of the employed and self-employed would need to be examined carefully.

Deputy McGrath also asked about the measures taken by Revenue to ensure that qualifying families receive the home carer tax credit, which the Minister has increased in this budget to €1,000. Revenue has, for a number of years, taken steps to allow automatically the credit wherever possible, including the use of data received from the Department of Social Protection on child benefit payments.

A number of Deputies, including Deputies Pearse Doherty, Richard Boyd Barrett and Clare Daly, questioned why taxpayers with incomes of €70,000 and over would benefit from the budget. Ireland has one of the most progressive income tax systems in the developed world, something which we know these Deputies support. A progressive system ensures the burden

of taxation falls most heavily on those with a higher ability to pay. Following the budget 2016 changes, it is estimated that the top 25% of income earners will pay 81% of total USC and income tax revenue, while the top 1% of income earners will pay 22%. In this regard, Deputy Eoghan Murphy's comments on the influence of high marginal tax rates on the economic cycle and job creation must also be borne in mind.

It is also important to point out that the effects of the budget package as a whole, including both taxation and social welfare expenditure measures, must be taken into account when examining distributional impacts. The Minister draws Deputies' attention to the social impact assessment of the budget. This analysis shows higher than average gains for the bottom two quintiles, or fifths, of income distribution, while the smallest gain is in the top quintile.

Deputy Michael McGrath raised some issues in connection with the capital acquisitions tax changes announced in the budget and the yield from this tax. As part of budget 2016, the Minister raised the group A tax free threshold applying to gifts and inheritances from parents to their children from €225,000 to €280,000. This represents an increase of about 25%. The Deputy says inheritance tax is forcing people to sell the family home. There is an exemption from CAT to ensure that, subject to certain conditions, those inheriting the family home in which they live can do so tax free. The Deputy made reference to a particular condition of the relief, but that condition only applies in the case of gifts, not inheritances, and is in place to prevent abuse of the exemption. The Minister has, however, indicated that he sees the change to the group A tax free threshold in the budget as the start of a process.

Deputy Pearse Doherty made reference to the provisions of section 39 of the Bill and seemed to have an impression that some form of capital gains tax concession was being provided for individuals disposing of valuable houses. That is not the case. Section 39 amends an anti-avoidance provision which is in place to ensure non-resident sellers of certain assets in the State, including houses, cannot escape liability to CGT on such disposals. Such individuals will only receive a clearance certificate from the Revenue Commissioners where they are satisfied that either there is no liability or that a liability will be paid where it arises.

Deputy Pearse Doherty mentioned the high earner's restriction and the forestry amendment. The Minister agrees with the Deputy that it is important that this measure remain a strong restriction on high earning individuals. In this instance he is satisfied that the amendment can be justified when viewed against the overall benefits. He notes also the Deputy's comments on the additional tier 1, AT1, capital. The new bank regulatory capital requirements are prompting banks to issue AT1 capital instruments as part of their capital reserves. As these instruments have characteristics of both debt and equity, there is a need to explicitly provide for their treatment as debt. The Minister notes that the Deputy commented on the withholding tax issues. The requirement to operate DWT on these instruments would limit the tradeability of AT1 instruments.

A number of Deputies also addressed the employment and investment incentive. The particular issues about which Deputies have concerns are not fully clear, but the Minister hopes to discuss the scheme in significant detail on Committee Stage.

Several Deputies, including Deputies John Paul Phelan, Peadar Tóibín and Richard Boyd Barrett, referred to the recent increase in CT receipts. Corporation tax in Ireland is highly concentrated, with a high proportion of receipts coming from the multinational sector. We have been advised that the increased corporation tax from the multinational sector is attributable to

a variety of reasons, including improved trading conditions and positive currency fluctuations. Furthermore, it is fair to say the improvement is relatively broad based, with improved receipts in other sectors and across different sized firms. For example, there has been an increase of over 20% in the number of companies paying between €100,000 and €1 million. There has also been an increase of about 20% in the amount of tax paid by medium-sized companies.

Deputies Richard Boyd Barrett and Clare Daly raised concerns about the knowledge development box, which is simply replacing the so-called “double Irish”. Let me, first, be clear that Ireland is not a tax haven. Our competitive rate of corporation tax has been an important part of our industrial policy since the 1950s and has attracted real and substantive operations to Ireland since. Ireland does not encourage the establishment of so-called “brass plate” operations which seek simply to avail of our competitive corporate tax rate. The Minister has always been clear that the double Irish was not part of the Irish tax offering and was just one example of the many international tax planning arrangements which have been designed and developed by tax and legal advisers to take advantage of mismatches between the tax rules in two or more countries.

In contrast to the double Irish, the knowledge development box, KDB, is a positive measure for Ireland. Putting in place an attractive tax offering for intangible assets is, therefore, important to encourage companies to develop their knowledge-based capital in Ireland and for our success in attracting foreign direct investment, but the KDB is not all about the multinational sector. Contrary to what Deputy Pearse Doherty said, because of the operation of the OECD modified nexus formula, the KDB will be of most benefit to single companies which carry out their research and development activities in Ireland. In addition, the Government has committed that an additional category of qualifying assets will be available to give particular support to small companies and ensure they will be able to access the KDB.

A number of Deputies, including Deputy Patrick O’Donovan, raised the matter of the eligibility criteria for the disabled drivers and disabled passengers scheme. This is not a matter to be dealt with in the Finance Bill as the criteria are provided in secondary legislation. However, the Department of Finance reviews tax expenditures regularly and in that context, the Minister will take cognisance of the points raised.

I will conclude by noting, as the Minister mentioned in his opening statement, that there are still a small number of matters under consideration for inclusion on Committee Stage.

Question put:

<i>The Dáil divided: Tá, 69; Níl, 41.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Bannon, James.</i>	<i>Aylward, Bobby.</i>
<i>Barry, Tom.</i>	<i>Boyd Barrett, Richard.</i>
<i>Breen, Pat.</i>	<i>Broughan, Thomas P.</i>
<i>Butler, Ray.</i>	<i>Browne, John.</i>
<i>Buttimer, Jerry.</i>	<i>Calleary, Dara.</i>
<i>Byrne, Catherine.</i>	<i>Collins, Joan.</i>
<i>Byrne, Eric.</i>	<i>Colreavy, Michael.</i>
<i>Cannon, Ciarán.</i>	<i>Coppinger, Ruth.</i>
<i>Carey, Joe.</i>	<i>Creighton, Lucinda.</i>

<i>Coffey, Paudie.</i>	<i>Crowe, Seán.</i>
<i>Collins, Áine.</i>	<i>Daly, Clare.</i>
<i>Conaghan, Michael.</i>	<i>Doherty, Pearse.</i>
<i>Conlan, Seán.</i>	<i>Donnelly, Stephen S.</i>
<i>Connaughton, Paul J.</i>	<i>Dooley, Timmy.</i>
<i>Coonan, Noel.</i>	<i>Ferris, Martin.</i>
<i>Costello, Joe.</i>	<i>Fitzmaurice, Michael.</i>
<i>Creed, Michael.</i>	<i>Flanagan, Terence.</i>
<i>Deasy, John.</i>	<i>Fleming, Tom.</i>
<i>Deenihan, Jimmy.</i>	<i>Halligan, John.</i>
<i>Deering, Pat.</i>	<i>Higgins, Joe.</i>
<i>Doherty, Regina.</i>	<i>Kelleher, Billy.</i>
<i>Dowds, Robert.</i>	<i>Kirk, Seamus.</i>
<i>Doyle, Andrew.</i>	<i>Kitt, Michael P.</i>
<i>Ferris, Anne.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Fitzpatrick, Peter.</i>	<i>McGrath, Finian.</i>
<i>Griffin, Brendan.</i>	<i>McGrath, Michael.</i>
<i>Hannigan, Dominic.</i>	<i>McGuinness, John.</i>
<i>Hayes, Tom.</i>	<i>McLellan, Sandra.</i>
<i>Heydon, Martin.</i>	<i>Murphy, Catherine.</i>
<i>Howlin, Brendan.</i>	<i>Murphy, Paul.</i>
<i>Humphreys, Heather.</i>	<i>Ó Cuív, Éamon.</i>
<i>Humphreys, Kevin.</i>	<i>Ó Fearghail, Seán.</i>
<i>Keating, Derek.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Kehoe, Paul.</i>	<i>O'Sullivan, Maureen.</i>
<i>Kelly, Alan.</i>	<i>Pringle, Thomas.</i>
<i>Kenny, Seán.</i>	<i>Ross, Shane.</i>
<i>Kyne, Seán.</i>	<i>Smith, Brendan.</i>
<i>Lawlor, Anthony.</i>	<i>Timmins, Billy.</i>
<i>Lynch, Kathleen.</i>	<i>Tóibín, Peadar.</i>
<i>Lyons, John.</i>	<i>Troy, Robert.</i>
<i>McEntee, Helen.</i>	<i>Wallace, Mick.</i>
<i>McGinley, Dinny.</i>	
<i>McHugh, Joe.</i>	
<i>McLoughlin, Tony.</i>	
<i>McNamara, Michael.</i>	
<i>Mitchell, Olivia.</i>	
<i>Mitchell O'Connor, Mary.</i>	
<i>Mulherin, Michelle.</i>	
<i>Murphy, Dara.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Naughten, Denis.</i>	

<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>Ó Ríordáin, Aodhán.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Dowd, Fergus.</i>	
<i>O'Mahony, John.</i>	
<i>O'Reilly, Joe.</i>	
<i>Penrose, Willie.</i>	
<i>Perry, John.</i>	
<i>Phelan, John Paul.</i>	
<i>Rabbitte, Pat.</i>	
<i>Reilly, James.</i>	
<i>Ryan, Brendan.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Wall, Jack.</i>	
<i>White, Alex.</i>	

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

Question declared carried.

Social Welfare Bill 2015: Second Stage (Resumed)

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

Deputy Seán Kenny: A new analysis of the budget changes shows that households with children are the biggest beneficiaries of budget 2016 and, in particular, working lone parents. There will also be an increase in the monthly rate of child benefit to €140 from January 2016, which sees further increases on top of increases in budget 2015. The family income supplement threshold is also being increased by €5 for each of the first two children per week from January. That will give an additional €3 or €6 per week for low-income working families in receipt of this support. I am also pleased to see an increase in top-up payments for jobseekers availing of community employment, rural social scheme, job initiative and other such schemes.

There are also elements of budget 2016 which do not require changes to legislation. They include: the increase in the fuel allowance; the increase in funding for the free travel scheme; an increase of €2.50 per week in top-up payments for community employment, rural social scheme, Gateway, job initiative, Tús and JobBridge participants; and an increase in funding for the school meals scheme, to support school-going children in disadvantaged areas.

The budget measures which require amendments to the Social Welfare Consolidation Act

2005 are provided for in the Social Welfare Bill 2015. This Bill will implement the budgetary changes which are, in the main, due to come into force in early 2016 and will also give effect to increases in pensions payable to persons aged 66 and over and their qualified adult dependents, as well as increases to the rate of child benefit, respite care grant and family income supplement.

The new tapered PRSI credit for class A PRSI employees earning between €352.01 and €424 in a week will reduce the weekly PRSI bill for more than 88,000 employees and will be in addition to the gains from the USC changes announced on budget day. In addition, the lower 8.5% class A rate of employer PRSI will be extended to more than 26,000 employers with the employer threshold being increased from €356 to €376. I welcome those changes. After the years of sacrifice by the Irish people, they deserve to get something back. I wish to see the increases continue in the years to come.

However, I am somewhat disappointed that there is not an increase for a section of the population who are under the age of 26. I feel that is discriminatory on the basis of age. I commend Labour Youth for lobbying on this issue, which needs to be reviewed.

An Ceann Comhairle: Before Deputy Sean Fleming commences, I wish to announce that I am obliged by the Order of Business to call on the Minister to reply at 3.45 p.m. but the Minister of State, Deputy Kevin Humphreys, has kindly consented to be called at 3.50 p.m.

Deputy Sean Fleming: My view, and that of many elderly people and many others in society, on the budget can be summarised in a few simple words, namely, €3, three miserable euro. That is what this Bill is about. It is the most miserable bit of legislation that has been brought before us. We are saying to elderly people that we will give them a miserable €3 and that they should be grateful. People are not grateful and it is important the Government appreciates that. All one had to do was meet people on the morning following the budget and ask what they thought. All they said was, "Three miserable euro". That is the hallmark of the Social Welfare Bill. The Government almost seems to think people should show it gratitude for the wonderful job it has done and the great improvements that have been made to the economy. The view seems to be that they are lucky to get something. The Government is giving them €3.

The sum of €3 would not pay for people's prescriptions charges or water bills. It is miserable and people know that, as does the Minister of State, Deputy Kevin Humphreys, who might say it is the first increase in a while. In contrast, even though Fianna Fáil worked within the same very tight financial parameters as the Government on budget day, we felt it was appropriate in our document to talk about a €5 increase and we said where the funding for it would come from.

It is bad enough that the increase was only €3, which is the increase for a single person on the State pension. Let us look at what the Government did for a couple on the State pension, two elderly people living together. It will give €3 to the person aged over 66 and a proportionate increase to the person in receipt of the qualified adult allowance. The allowance is 70% of the primary payment so the second person in the house will get €2.10. They will not even get the three miserable euro. The Government is saying to the spouse that €2.10 is all he or she will get. When one adds the two payments, it is €5.10 between the two. That is €2.55 per person. The Government might say it is giving some people €3 but, in reality, most elderly couples in receipt of the pension will get €2.55 each. One could ask how far that will go towards the payment of prescription charges. People believe there is a lack of generosity and a lack of spirit.

There is much money in society. In the past 13 months, the Government announced additional expenditure of €7.3 billion over and above what had been in the previous year's budget. In October last year, before the budget, the Government said there would have to be a negative adjustment of €2 billion but on budget day, it found an additional €3 billion. There was not a negative €2 billion adjustment but a positive adjustment of €1 billion in terms of the turnaround of €3 billion the Government announced on budget day just one year and two weeks ago.

Shortly after the Government made an announcement on the €3 billion, it introduced a Supplementary Estimate last year of €1.2 billion. It was great money. Prior to this year's budget, the Government made an announcement concerning €1.5 billion. However, 48 hours before budget day, the Government announced another €1.6 billion in Supplementary Estimates. I might have missed something but in terms of those particular measures over the past 13 months, the Government has been able to find an extra €7.3 billion. God knows where the Government has put it because people are not seeing the value of it.

The Government has said to an elderly person living with his or her spouse on the State pension that out of the €7.3 billion, it will give him or her €2.55 a week or €3 if he or she is a widow or widower or a person living on his or her own. There is not a shortage of funds. The Government has demonstrated that over the past 13 months. Nobody can say the Government has been acting in a prudent manner. It has been spending a lot of money which has come in as windfall gains in taxes.

3 o'clock

From where is that money coming? The Government is increasing, on an ongoing basis, basic permanent expenditure on the basis of windfall taxes and receipts. Were people to identify any particular mistake that happened during the property boom in the past, it was that expenditure was ramped up on the basis of stamp duty and property tax receipts, that is, once-off stand-alone taxes that were not guaranteed to be repeated in the future. This is precisely what the Tánaiste and Minister for Social Protection and the Minister for Finance have done this year. An additional €1.6 billion in corporation tax has been received but the Minister for Finance has no idea why he got it. Neither he nor anybody else predicted it and there is no guarantee it will carry forward into next year. It was a once-off increase of €1.6 billion over and above expectations. Additional income also arose this year from dividends from the Central Bank, which is a carry-over from dealing with the IBRC liquidation issue. Although such dividends will not carry on into the future but will peter out as time passes, the Government has managed to increase expenditure this year beyond the expenditure ceilings announced on budget day last year. I note these expenditure ceilings have a legislative basis and the Government has both breached the ceilings for 2015 and the ceilings it has in place for 2016, which it announced 12 months ago. While I acknowledge the Minister is only required to notify the Dáil when he changes the expenditure ceiling, this is an example of the extra money the Government has had at its disposal. Expenditure ceilings this year went out the door and expenditure ceilings for next year have gone completely. Although €7 billion was available, it went on three miserable euro to the State pensioners and they know that. There was a debate in November between the two Government parties, with one option being to go to the country on foot of the announcement of the budget, after which people would know they would get an increase. However, the views of others prevailed and it was decided to wait until people actually have the money in their hand next January and to hold a spring election. While the Government has chosen the latter option, it should not expect gratitude when the married couple in receipt of the State pension receive that miserable €5.10 between them and when they hear of all the money that has

been available up to now.

This budget and the Government's previous budgets have been highly regressive. Ultimately, the story of the present Administration will be of net regressive budgets. As I have been highlighting, additional money is available this time but it will not make up for some of the regressive budgets of previous years. A couple of weeks ago, I sat in this Chamber listening to the Minister, Deputy Howlin, and one issue struck me immediately that day, namely, an issue regarding the family income support administered by the Department of Social Protection. The issue, to which I referred immediately after hearing the statement, is that the budget increases the threshold for family income supplement by €5 for the first child and €10 for the second and subsequent children, apparently to offset the increase in the national minimum wage. However, the increase in these thresholds is not sufficient given the 50 cent per hour increase in the minimum wage for a person who works a 40-hour week as it would yield an increase of €20 in his or her basic wage, or perhaps €19.50 if such a person works a 39-hour week. I welcome this increase of 50 cent per hour in the minimum wage and Fianna Fáil at all stages has supported it. In our submission to the commission in this regard, we actually proposed an increase of 55 cent, which is a matter of public record. Fianna Fáil proposed this increase in this calendar year, to come into effect for next year, and that translates to a weekly increase of approximately €20. However, the Government is increasing the threshold for family income supplement by €5, which I read to mean that many people will be removed from the scope of the family income supplement. While the detail can be teased out on Committee Stage, on the face of it, the increase in the family income supplement threshold does not match the increase in the minimum wage. If this is the case, this change must be reversed and that can be teased out in further detail. If the way in which I am putting this point is not completely correct, the matter can be clarified in due course but on the face of it, given the announcement on budget day, it was reasonable to arrive at the conclusion I reached and which I reiterate today. If further detail is thrashed out on Committee Stage on this issue, it will represent an improvement on the budget day announcement. Nevertheless, concern exists that people on low incomes will encounter a difficulty as a result of this measure.

In respect of lone parents, the change to the eligibility criteria to qualify for the one-parent family payment that came into effect last July was a particularly callous move on the part of the Government. There is little in this year's budget from which lone parents can take comfort and this is a matter that again will come up extensively on the doorsteps.

While there are many items to consider in this budget, one of the biggest issues is that of housing and the rent supplement. I lay the chaos that exists in housing fairly and squarely at the door of the Labour Party, not on Fine Gael. Members are aware of what Fine Gael does and we know their type. They do not care or are not particularly concerned about people on the margins of homelessness, who are not their core people. However, I would have thought they were core voters of the Labour Party. In truth, once the top 30% are flying, which they are-----

Deputy Paul J. Connaughton: The Deputy is very hard on us.

Deputy Sean Fleming: -----Fine Gael will be happy. However, people expected better from the Labour Party and what is ironic about the homelessness situation is that two Ministers are directly responsible for it. One is the Tánaiste and Minister for Social Protection, who is the Minister responsible for the legislation under discussion and who is responsible for rent supplement but has not done anything on it. The second is the Minister with responsibility for housing, who is the Labour Party's deputy leader. Consequently, the leader and deputy leader

of the Labour Party are the two principal Ministers who are responsible for the homelessness situation that has arisen under the Government's watch. When the Labour Party entered office, there was not a homelessness issue. I acknowledge there were other issues but this issue arose under its watch.

Deputy Kevin Humphreys: Fianna Fáil crashed the construction industry.

Deputy Sean Fleming: All the Minister of State can say about what the Government inherited, along with the financial situation, is that my party in office built too many houses. It is a particular achievement of the Labour Party to turn a surplus of houses into a homelessness crisis. No other Government has turned a situation in which it inherited a surplus of houses into a homelessness crisis within a few years. Moreover, it did it all on its own after the troika left. It did not happen on its watch but happened when the Government was left to run the country on its own.

Deputy Derek Keating: The Deputy is delusional.

Deputy Sean Fleming: This homelessness crisis is a domestically-generated problem caused and taking place in the Irish economy.

Deputy Kevin Humphreys: It was caused by Fianna Fáil.

Deputy Sean Fleming: There was no homelessness crisis when the Government came to power but there is one as it is leaving power. This issue will be visited heavily, and rightly so, on the Labour Party. While Fine Gael Members might not like me saying it, the Fine Gael way is not to worry about such people. However, it should be the Labour Party's way - not Frankfurt's way but the Labour Party's way. The Tánaiste, Deputy Burton, has presided over a cut in rent supplement over recent years. Moreover, the Minister with responsibility for housing stated this time last year that this issue would be his legacy. He will be leaving a legacy, albeit not the legacy he promised shortly after he came to office as Minister. He is leaving a legacy of homelessness and the leader and deputy leader of the Labour Party are the two Ministers who could have done something about it. All Members are aware of the position.

The Simon Community recently conducted a survey in respect of rental property nationwide and only a tiny percentage of properties available for rent were within rental amounts to which the supplementary welfare allowance could be applied. In County Laois, not a single property was available for rent on some of the websites that were within the rental amounts of which one could avail if one sought a rental supplement. This has happened and while I concur that the Minister certainly is leaving a legacy, it is not a legacy of which the Labour Party should be proud.

I also considered many other events that have taken place over the years and I am aware the Minister of State will suggest the Government did not cut basic rates. However, I refer to the situation of 18 year old people who are on jobseeker's allowance of €100 per week, people up to the age of 24 who are in receipt of €140 per week and people aged 25 who are in receipt of €144 until reaching the age of 26. These amounts essentially tell such people to head off to Canberra or elsewhere in Australia or to New Zealand, London, Canada or wherever. This essentially is a one-way ticket for young people. As for those who are on the live register operated by the Department of Social Protection, those figures ignore the number of people who have emigrated in recent years. The reason young people are emigrating is because they are being told once they have been educated they are to be given the paltry sum of €100 per week to live

on. Nobody can provide for themselves on €100 per week. It is no wonder they are emigrating.

I would like to comment on the employment schemes that have been put in place to reduce the number of people on the live register. The Minister, Deputy Burton, is very good at massaging the unemployment figures. The Minister has reduced the length of time a person can participate in community employment following which he or she then becomes eligible for jobseeker's benefit but is deemed not to be a long-term jobseeker, which gives the impression that there are fewer people long-term unemployed. However, this is just a recycling of posts which allows the figures to be massaged. Young people and others in community employment know the difference in that regard.

While an increase in payment for those participating in community employment is provided for in this Bill it is only of the scale of that offered to people in receipt of the State pension. This Government had €7.3 billion to spend. Perhaps the Labour Party will explain to people where this €7.3 billion is being spent because it is not evident in terms of what has been announced. It appears to have been disappeared or scurrilously spent on God knows what because there are no visible signs of it for most people. That issue will have to be addressed.

This is the final throw of the dice for this Government in terms of social protection. The Second Stage debate on the Finance Bill 2015 was guillotined and this debate is also being guillotined. It is no wonder the Government wants it guillotined: it does not want to hear people speak in this House of the full facts in terms of its record over the last four years. I was listed to speak this afternoon on the Finance Bill 2015 that has been guillotined. This Government gave a commitment that it would not guillotine debate on legislation. What is being done here today is not political reform as the people understand it.

Much of my contribution has been focused on young people who had to emigrate and on elderly people. Prior to this Government coming into office there was a 50 cent charge in place in respect of prescriptions, which the parties in government promised to abolish. Many accepted that promise in good faith. However, that 50 cent charge then increased to €1 and later to €1.50 and is now €2.50 or €25 per month. If the Government thinks that is fair to people on medical cards or those people who are being given a €3 per week increase in their old age pension, I do not share that view and neither do most people.

Many other allowances have been cut by this Government. These are the cuts that will be remembered at election time, including the abolition of the telephone allowance and the change in eligibility criteria for the State pension, in terms of the average yearly contributions required to attain the maximum benefit. These are the issues that are now coming home to roost. A person who a few years ago would have been eligible for 90% of the State pension will not now get anything near that amount. The change to the eligibility criteria for the full State pension was not fair on people who worked most of their lives. There have also been cuts down through the years to the back-to-school and clothing and footwear allowance. This Government introduced a series of 42 cuts during its time in office. I wish it luck when it comes to explaining to the people how it did not make any cuts to core payments. Regardless of the Department of Social Protection's internal definition in terms of whether a cut is a headline cut or an actual cut, a cut is a cut as far as people are concerned.

This Social Welfare Bill will be remembered in the context of this Government, despite having had €7.3 billion to spend, giving an increase of only €3 per week to recipients of the State pension.

An Ceann Comhairle: Deputy Keating is sharing time with Deputies Dan Neville, Paul Connaughton and Robert Dowds. Is that agreed? Agreed. Deputy Keating has five minutes.

Deputy Derek Keating: I welcome this Social Welfare Bill. It strikes me, having listened to the contributions of members of the Opposition over the past few days, including Deputy Fleming's contribution just now, that almost five years on Deputy Fleming and Fianna Fáil are still in denial. They still have not come to appreciate the decision of the Irish people four and a half years ago, when they returned only 19 Fianna Fáil Members to this House.

Let us be clear, the housing crisis being experienced in Ireland, an issue with which Members on all sides of the House, including I am sure the Minister of State, Deputy Kevin Humphreys, are dealing every day in our constituency offices, rests firmly on the shoulders of Fianna Fáil. Deputy Fleming is correct that it is a legacy issue, one that this Government continues to grapple with and improve. I include in that regard the Government's efforts to address the homeless crisis. Fianna Fáil may be in denial but the Irish people, I am sure, are clear in their minds in that regard.

As stated earlier, I welcome this Bill. As a proud member of a Government party I would love to be able to say today that this Social Welfare Bill reinstates all that the Irish people have lost but, of course, that is not the case. Those who are realistic know that it is not and cannot be the case. This legislation is a positive step. It attempts, in a fair way, to reinstate some of the assistance that Irish people have lost over the past couple of years. I heard the Tánaiste and Minister for Social Protection, Deputy Burton, outline many of those measures yesterday, which I welcome.

The Minister referred yesterday to reinstatement of 75% of the Christmas bonus as a significant measure. The response to this from many Members opposite was that Christmas comes only once a year. Like me, every Member of this House knows that the people who receive the Christmas bonus appreciate and need it. This is a genuine and significant attempt to reinstate the full bonus, a process which commenced last year. This Bill also provides for increases for pensioners, carer's, adult dependants under 66 years of age and over 66 years of age and persons with disabilities. There is no magic wand that can fix what this Government inherited. This legislation is a positive step in the right direction and cannot be alluded to without reference to the unemployment levels over the past couple of years. Earlier this week we were told the unemployment rate has decreased to 9.3% from 15.1% only a couple of years ago. Again, Deputy Fleming may be in denial as to who, more than anybody else, was responsible for our high level of unemployment but the Irish people, in terms of the decision they made on 25 February 2011, know who bears responsibility for it.

There is no better way of empowering people or of giving them a quality life than by providing them with a job. There are other aspects that feed into that but giving people an opportunity to work, earn and contribute to their economy is the best way of empowering them. We have seen down through the years how generations of families have benefitted from a return to employment. This Government is helping people to do that.

I listened to the contribution yesterday from Deputy O'Dea, who was a Minister in the previous Government, during which he quoted a lot of poetry but said very little.

An Ceann Comhairle: The Deputy cannot quote poetry now as his time has expired.

Deputy Derek Keating: I have no intention of doing so. I look forward to hearing what

my colleagues have to say.

An Ceann Comhairle: The next speaker is Deputy Dan Neville.

Deputy Dan Neville: May I share one minute of my time with Deputy Joe O'Reilly?

An Ceann Comhairle: Yes, sharing is caring. Is that agreed? Agreed.

Deputy Dan Neville: I welcome the opportunity to speak on this Bill. The budget demonstrates the success of the improved economy. It was the Government's first opportunity since coming to office to show those who are in receipt of social support that the improvement in the economy is having a positive effect on their lives. The reduction to 9.3% in the unemployment figures is something nobody could have dreamt of forecasting five years ago. We now have jobseekers back at work. As the previous speaker said that is vital for the well being of the family and especially the self worth of the person in respect of their contribution. That the carer's allowance will be paid for an additional six weeks after the death of a loved one is welcome. That is a very trying time for an individual who has cared for somebody for many years and who has devoted their life to the wellbeing of a loved one. It is a welcome development. The cut off was cruel as the day after the burial the income to the household was reduced.

I wish to raise the issue of communication for people making application to the Department of Social Protection in respect of the eligibility criteria for various schemes. Sometimes the information is not sufficient to ensure the person submits the documentation necessary for a speedy decision on their application for benefit. Frequently, numerous letters are toing and froing seeking clarification for a decision on an application. An example is invalidity pension where there has to be an indication that a person will not work again. If somebody says a person is unable to work for the foreseeable future, what does that mean? The foreseeable future could be a month, six months or a year. A pension is for life. There must be a way of disseminating that on sheets or whatever. Sometimes people are told they can get it on the Internet. As we discussed last night, some people are lost when it comes to the Internet because they are not computer literate.

I welcome the Bill.

Deputy Derek Keating: May I raise a point of order?

An Ceann Comhairle: No. Will the Deputy please resume his seat?

Deputy Derek Keating: Did the Opposition vote against-----

An Ceann Comhairle: Will the Deputy please resume his seat? That is not a point of order. I call Deputy O'Reilly.

Deputy Derek Keating: There is nobody here from the Opposition.

An Ceann Comhairle: The Deputy is wasting time.

Deputy Joe O'Reilly: I thank my colleague, Deputy Dan Neville. The reason I want a minute to speak is that I have a special interest in the carer's allowance as a mechanism to keep people who are being cared for out of institutions and at home where they generally want to be. I welcome the restoration of the respite care grant, the increased Christmas bonus payments and the lowering of the universal social charge. I ask the Minister of State to continue a process of

making the carer's allowance more attractive so that recipients automatically receive secondary benefits, such as the medical card, and would be supported in every conceivable way and, as the country can afford it, that the allowance is increased on an annual basis. It is a huge opportunity for people to be cared for in the home and for people to leave jobs in which they are not necessarily happy and to do something for their loved one. That is so important.

Deputy Paul J. Connaughton: I thank the Ceann Comhairle for the opportunity to contribute to the debate. Last week we had a very successful comedy festival in Galway. I think Deputy Sean Fleming's performance would have sold out many times over. It is a shame he did not get a chance to discuss the Finance Bill either as that would have been a cracker. Admittedly, it is a very sticky job to do in 20 minutes. He did not have one alternative and did not say what he would have done differently. His party is giving out that the Government is giving something back. The previous Government's last budget cut the blind pension and the Fianna Fáil backbenchers applauded. After five years we can now give something back to people and we are being criticised for that. Not one person in Fine Gael or the Labour Party is saying to people in receipt of the old age pension that they are made up with €3 extra. What is clear is that this is a country that has turned around, that economically we can stand on our own two feet again, and what is wrong with that? Having listened to Fianna Fáil for 20 minutes after 14 years in government, not only was their no alternative plan but it criticised an increase in the amount being given back. We did not hear anything about the fastest growing economy in Europe and the chance for 6% growth next year. It is a terrible shame that, first, the Opposition is not present but it bet, actively, against the country. It can only sell a dismal story and that is regrettable. It is a shame that when it comes in, it does not have some alternatives. It is a remarkable situation when the Opposition does not turn up and it has no alternatives.

As with all budgets, there are always issues we need to work on for the future. I appreciate the Minister of State is doing great work in respect of community employment schemes and community involvement schemes. Perhaps I should give the Minister of State some more credit when I speak to the local media about this. I hope we can get this over the line sooner rather than later. A 65 year old gentleman who contacted me today is ten months away from retirement and has to come off the scheme. This is an individual who wants to continue in the scheme. In respect of schemes such as Tús and so on, one area where people have a concern is in the disability area, their access to the schemes, the percentage of positions that might be available to them and perhaps it is something we could look at. It is welcome that we can increase child benefit, bring back some of the Christmas bonus and the respite care grant again.

Let us consider how this Government is ending compared to the last Government. The last Government had about four Ministers with five different portfolios. This time each Minister with his or her own portfolio will go the people and say that not only are we giving something back but the opportunity for further growth is there into the future. If we did nothing else and for all the tough decisions we have had to make it is a good message to give that we are in a much better position now than when we took office. It is a very sad day for the soldiers of destiny that the best they can do is give out about an increase in the old age pension and then all leave the Chamber. They are the people who are running to the doors because they still should be apologising.

Deputy Willie Penrose: I am glad to have an opportunity to contribute to this debate on the Social Welfare Bill 2015. This is one of the most important Bills to come before the House as it contains within it provisions that are vital for people who, for one reason or another, depend upon the State, are subject to fixed incomes and are vulnerable. It covers a significant cohort of

the population and gives legislative effect to the social welfare measures announced in the Bill. I could speak for an hour on the Bill such are the very positive measures contained therein, and it would be churlish of anybody to be negative about it.

I note from the Minister that the budget provisions have been subject to a social impact assessment, which means the impact of the main tax and social welfare provisions set out in the budget for the year ahead. It estimates the impact of these policies on household incomes, families, poverty and incentives to employment because we know that a perennial focus of debates is the emergence of new or the sustaining of old income poverty traps. One notes that these results are positive from the perspective of gain and it is noteworthy that the higher average gains favour those in the bottom two quintiles. That is very important.

Ever since I entered the Dáil I have championed the cause of carers. I have been a strong advocate on their behalf and remain so. When I was chairperson of the then social affairs committee in 2003 I initiated an examination of the welfare policy, practices, support structures and education for carers, together with a review of the long-term effects of full-time caring on the physical and mental well-being of carers. That is important because carers can suffer as well.

In regard to that report I am especially proud that we did it ourselves without the aid of consultants, which was at my insistence, and a significant number of 15 or so recommendations were subsequently implemented by Government over a period of years, including the groundbreaking proposal that people in receipt of another social welfare payment will receive 50% of the carer's allowance and that the respite grant be paid to people who are caring, regardless of the social welfare payment they were receiving. That was a huge breakthrough. In regard to those who say that reports prepared by committees are not effective, I believe we proved that is not the case, and the Carer's Association and others were very pleased with the outcome of our deliberations.

We also advocated that the means test be abolished and were in favour of universality of payment for long-term care. Indeed, the Mercer report argued against means testing thus, over the past 12 years, that has not been done but in fairness to all Governments, the means test for carer's allowance is by far the most generous of all means tested social welfare schemes. Weekly means of €332.50 are disregarded in the case of a single person and €665 in the case of a couple. As a result, a couple aged under 66 with two children earning a joint income of up to €35,000 can qualify for the maximum carer's allowance. The household benefits package is also payable to residential carers in receipt of carer's allowance.

There are 187,112 family carers in Ireland, of which 5,295 are based in Longford-Westmeath. Female carers provide approximately two thirds of all care. The 2011 census identified 4,228 children aged under 15 years engaged in providing care to others, accounting for 2.3% of all carers. Up to 59,380 carers receive carer's allowance, of which 24,326 receive half-rate carer's allowance and 1,769 receive carer's benefit. The care provided by family and friends to the ill, frail and people with disabilities is worth €4 billion each year. It amounts to 900,000 hours of caring every day and €77 million per week. This is equivalent to one third of the total annual cost of €13.3 billion of the Health Service Executive. It is five times what carers cost the Department of Social Protection in income support, €878 million. It means that a full-time carer contributes on average, €72,500 a year.

They are the unsung heroes. I have been in contact with carers in my constituency. I know Caroline Poole, Denise Nolan and many others in the Carers Association do wonderful unsung

work. They save the State billions of euro by allowing their loved ones live in the comfort, ambience and serenity of their own homes. I salute all those who undertake various fund-raising activities for the Carers Association which has many demands on its resources. In this regard, I commend the great Billy Mac, Billy McCauley, who has hosted an annual musical extravaganza for the past ten years at the Greville Arms Hotel, Mullingar, raising substantial funds for the Carers Association. It is in this context that I am especially glad to note the respite care grant, a non-means-tested grant paid annually in June to carers to assist them in caring for a person who requires full-time care and attention, has been restored to €1,700. The reduction in 2014 was one of the decreases that greatly annoyed me and I am delighted to see it is fully restored. The carers are quite pleased with the increase of €325 to this grant.

Will consideration be given to paying out the respite care grant in two moieties? It might better suit the needs of carers at vital times. I also welcome the fact that under section 9, the period for which the carer's allowance will be payable following the death of the cared person has been extended from six weeks to 12 weeks. That is an important recognition of a difficult time for people.

I have been arguing for years about how unfairly the self-employed have been treated by the social welfare and tax system. I am glad a start has been made in rectifying the glaring inequality in this treatment. Self-employed people perceive themselves as being just generators of wealth and employment, tax collectors of the State and collectors of social welfare contributions for the Department of Social Protection. After all that, they have to try to make a profit, along with paying their own contributions and taxes. Despite having to invest long and arduous hours in their enterprises, be they a small rural shopkeeper, building contractor, painter, plumber, electrician or farmer, they are often victimised by the State which refused to give them an allowance equivalent to a PAYE allowance, notwithstanding the original basis for the differential treatment had long disappeared when the self-employed moved on to a current year basis of accounting for profits. They were really penalised when the universal social charge, USC, was introduced. Another significant differential, admittedly at the top of the scale, of an additional 3% was introduced solely for the self-employed. While there may well be a basis for this, one has to reflect on and consider that many self-employed small operators genuinely contribute to the economy, creating many jobs. They are especially important in rural areas where the big factories and entrepreneurs never materialise.

Worse than that was their treatment by the social welfare system when they fell on hard times, especially between 2008 and 2012. It was frightening. I witnessed it at first hand when many people were literally penniless. Despite this, they had to prepare accounts to examine their previous year's earnings, notwithstanding that, like the snows of last winter, not a penny was to be found as it has all been spent and any savings accrued had also been spent. The Tánaiste and Minister for Social Protection, Deputy Joan Burton, amended the system. Now, the self-employed are getting 90% of entitlement to social assistance payment without having to go through the hoops, a welcome development.

More importantly, however, would be the devising of a special PRSI rate for the self-employed to allow them contribute an additional 1.5% or 2%. If they fell ill, they would then have an entitlement to the payment as of right. Their own representative organisations need to wake up because many self-employed people I meet are eager to make such an additional contribution to the Social Insurance Fund. It is high time this was addressed.

I welcome the increase in social welfare pensions. While the €3 increase is only a start,

along with the increase in the fuel allowance and the Christmas bonus, this could come to €690 per year, or €13.30 a week. It is important this increase for pensioners and others on fixed incomes continues to be improved. The Tánaiste and Minister for Social Protection has given a commitment that this will be the case.

Deputy Michael Fitzmaurice: I concur with Deputy Penrose about the self-employed. During the crash, many businesses went to the wall. Many people who invested every penny and every hour they had into their businesses faced terrible times. The self-employed were treated like someone from Mars when they tried to get social welfare, even when many of them had paid a lot of tax. There was an ingrained sense among some that the self-employed had to be wealthy. They may have lost everything, however.

I welcome the earned income tax credit to the value of €550 as the first step in getting equality on this issue. The whole system needs to change for the self-employed. The self-employed are not afraid to pay PRSI and whatever extra. However, it must be ensured that a self-employed person whose business fails is not left lingering in the social welfare system. When one goes into a social welfare office, one is not going in for the craic. One is going because one needs assistance. To be left for months in limbo is inhuman.

While I acknowledge the €3 increase for old age pensioners, we should have gone a step further to help them. These are the people who kept the country going until the next generation took over. Someday, we will all be looking at a pension. The pensioners are vulnerable and should be looked after.

We need to start thinking outside the box for employment creation. We may need to put in new systems to get people back to work. There are many computer courses available. However, if someone wants to go into an apprenticeship to be a mechanic or a chippy, for example, there are obstacles in their way. One could give them a certain amount of their social welfare payment and allow them to get a trade. With green shoots of recovery here and there, the opportunities for these skills will emerge again. We have lost many skills. We need to look outside the box at creating new ways of giving people a chance, rather than just putting everybody on a computer course. Not everyone might be suited to such courses. Some of those people may be gifted with their hands, for example, and we must make sure we facilitate them getting back to work.

We are bringing people in from other countries for work. We will have to look at where we are going in ensuring the people who are unemployed here get back to work. There is something amiss. We need to put our finger on the pulse to make sure the 200,000 people unemployed get work.

The Government has made the farm assist scheme more complicated. In Donegal, for example, a small farmer may go out on a fishing boat for a month or two or work in a processing plant. Changes to eligibility moved these farmers to the jobseeker payment, further complicating the system. There has been much manoeuvring around this, with many of these farmers losing the farm assist scheme payment. The rural social scheme, RSS, introduced by Deputy Éamon Ó Cuív years ago, did marvellous work around the country. North, south, east and west, the RSS workers are recognised everywhere for the work they did. There are other schemes and people have ideas. We need to ensure that we are prepared to take risks. We need to find out why someone is not returning to work. We need to put our finger on the pulse and ensure this is addressed.

I will not keep the Minister of State, Deputy Humphreys, here all evening, except to say one more thing. When the measure was introduced the argument was made that we did not have the money, but we are telling youngsters we will give them €100. It is hard for them to live on it unless they are living at home. If we are honest about it, it is virtually impossible for them. We are basically giving them a one-way ticket out of the country. We need to bring kids back into our country. We need to bring back the generation we have lost. I hope the Minister of State is open to looking at new ideas and taking risks because the end game is to bring down the unemployment figures.

An Leas-Cheann Comhairle: As there are no other speakers, I call on the Minister of State to reply.

Minister of State at the Department of Social Protection (Deputy Kevin Humphreys): I will reply first to Deputy Sean Fleming who made criticisms about the operation of a guillotine today. It is 3.40 p.m. and there is no other Opposition spokesperson offering to speak on the Social Welfare Bill yet we had to waste time this morning voting on the issue. We had to listen to Deputy Fleming giving out about a guillotine being imposed this afternoon, yet the Fianna Fáil benches are empty as are those of Sinn Féin and People Before Profit.

I always find Deputy Fitzmaurice constructive and informative and thank him for the spirit in which he made his contribution. I thank Deputies on all sides of the House for their constructive remarks on budget 2016, in particular the social welfare budget. Some Deputies, of all sides of the House, have been quite constructive and positive. Some Deputies would have done well in a comedy show but I will not go down that road.

Most economists said we would still be in a bailout last year and making corrections of another €1 billion in this budget. This Labour-Fine Gael budget has put €1.5 billion back into the economy, which has been welcomed by many. The social welfare budget is built on the foundations of the recovery. It has four key aims, namely, to increase the supports for pensioners aged 66 and older, strengthen supports for families with children, increase the momentum to date in helping jobseekers back to work, which is very important, and to provide targeted assistance for vulnerable groups. We are making these improvements in a fair and sustainable way.

A number of contributions to the debate indicated the Government did not do enough to restore the rates of social welfare payments to the levels they were at before the crisis. I note with interest the proposals on budget 2016 by parties in opposition. I was struck, in particular, by the contributions of Deputies Fleming, O'Dea and Keaveney who criticised this budget. Deputy Fleming said the €3 increase in the pension payment was miserable. I can tell this House what is miserable. In its pre-budget submissions, Fianna Fáil proposed no increase in the Christmas bonus. That was Fianna Fáil's way. It proposed no increase in the fuel allowance and carer's allowance. Unfortunately the Fianna Fáil Members are not here to contradict or argue with me. We heard their remarks on the minimum wage but they should remember that Fianna Fáil reduced the minimum wage by €1 per hour. It was a Labour-Fine Gael Government that increased the minimum wage twice in its term of office. It has been increased by 20%, which is not enough, and the increase should go further. However, the party that reduced the minimum wage by €1 per hour is not here to answer me.

This Government is introducing two weeks of paternity leave. What did Fianna Fáil propose? Nothing. This Government is adding a second free preschool year. What did Fianna Fáil propose? Nothing.

I welcome Fianna Fáil's spokesperson who has arrived in the House.

Every single time I have been in this House, Fianna Fáil has been scaremongering, saying the free travel scheme was going to be abolished. I have heard it for the past five years. I heard it this year too. What did Fianna Fáil propose to support the free travel scheme in this budget? Nothing. What did this Government do? We added €3 million to the budget, bringing it from €77 million to €80 million.

We all worry and care about our children. The sum of €676 million has been allocated in 2016 to Tusla. Deputy Fleming asked what we were going to do about this in the budget. That is what we did. What did Fianna Fáil propose? Nothing.

On many occasions, Deputy Fleming has argued back and forth across this House with me about the school meals programme. He told me how good and positive the programme is and how he needed it in the schools in his area. He said further investment was needed in it. This Government has put an extra €3 million into the programme in budget 2016, bringing the sum up to €42 million. What did Fianna Fáil propose? Nothing.

We are increasing the threshold for eligibility for family income supplement. I heard Deputy Fleming's concerns and look forward to addressing them on Committee Stage, but what did Fianna Fáil propose in relation to family income supplement? Nothing. What did it propose on job activation measures? Nothing. What did it propose on the Lansdowne Road agreement? Nothing.

I admit Fianna Fáil did propose a €5 increase in the pension but it did not suggest reinstating the Christmas bonus it abolished. We were able to restore it partially. Fianna Fáil proposed nothing on it. When Deputy Fleming stands up in this House and tells me something is miserable, Deputy Fleming should remember how miserable he made this country when he crashed and burned it. We have had to put the pieces back together. It has been hard for people to put those pieces back together. They carried the burden. They suffered the cuts. They suffered the loss of jobs.

Deputy Seán Ó Fearghail: The Minister of State has made the less well off suffer the cuts while acting as a mudguard for Fine Gael.

Deputy Kevin Humphreys: I have sat here hour after hour listening to Fianna Fáil, which appears to be suffering from loss of memory.

Deputy Seán Ó Fearghail: The Minister of State seems to be obsessed with Fianna Fáil. He is obsessed.

Deputy Kevin Humphreys: Deputy Ó Fearghail comes in here and heckles because the truth hurts. There are young people in the Visitors Gallery. Fianna Fáil proposed in its budget submission 1,245 additional teachers.

Deputy Seán Ó Fearghail: Has the Minister of State nothing to say on behalf of the Labour Party?

An Leas-Cheann Comhairle: The Minister of State to conclude.

Deputy Kevin Humphreys: The Labour Party and Fine Gael in this Government provided for 2,260 new teachers, including 600 extra resource teachers. There is a big difference in what

Fianna Fáil proposed and what it did not propose. In answering Deputy Fleming's claim that the €3 increase was miserable, I would love if it was much more but we have gone through three difficult budgets. I wish Deputy Fleming was in the House to defend himself but he is not. I am sure he is out looking to see how miserable everyone is and how miserable Fianna Fáil made the country because Fianna Fáil was in government for 14 wasted years, during which time it destroyed the country.

There were many other submissions and I listened carefully to the speeches. Deputy Colm Keaveney is my former party colleague. He was very good at wrapping the red flag around himself and he has been very good at waving it on the opposition benches. He should take himself and Fianna Fáil off writing speeches and possibly get Red Flag to do it in future. They might make a great deal more sense than some of the rubbish we heard from Deputy Sean Fleming earlier. However, that is enough about Fianna Fáil. What we must do, and very carefully, is examine how we will rebuild this country from the crash and shambles we inherited. I do not use those words with any glee. Every Member of the House and the parents of the children in the Visitors Gallery have suffered as a result of what we were left with.

There have been allegations that the budget favours the better off. Deputy Costello, Deputy Ryan and others explained how the bottom groups benefit far more than the top quintiles. I do not intend to repeat what was said. However, one contribution rankled. The leader of Renua Ireland arrived into the Chamber to speak on the welfare budget. She accused the Government of Bertie-nomics. We are all familiar with Bertie-nomics; it probably got us to the current position. However, looking at the budget submission from Renua Ireland I worry that this is what we are facing from a new progressive party when it talks about a flat tax on minimum wage earners of 23%. There is a budget gap in its figures of €3.6 billion as a result of introducing a 23% flat tax rate. Its members say that extra VAT returns, extra this and extra that might fill the gap of between €3.6 billion and €4.6 billion. When the Deputy talks about Bertie-nomics she should take a quick look in the mirror. If that is her budget proposal in respect of welfare, it will crash and burn the country as quickly as Fianna Fáil crashed and burned it five years ago.

The intention of my Department is to ensure every person gets the opportunity to get back into employment. Consider our new Intreo services. For somebody who has lost their job or who is seeking to get back into work, the first step they take into the new Intreo office is their first step back into work. That is where we must keep our focus, and that is why we must be careful with the social welfare budget and the Finance Bill. We must ensure that everything we do is targeted to help as many people as possible back into work. As the Tánaiste says, the surest way out of poverty is getting into work.

We have created 110,000 additional jobs in the last three years. Deputy Sean Fleming did not mention that. He talked about schemes that massage the figures and gave out about people going into the schemes because it broke their long-term employment. Tús and CE have helped people to keep in contact with the employment market. That is the reason people have been able to get into employment. They filled the gap in their CV, got the training and experience they needed and got into employment. This Government is a Government of work. We wish to ensure that work pays and that we can help people back into work. I am not sure if Deputies O'Dea and Sean Fleming are caught up in the last decade and in keeping people in welfare dependency. I want to see people back in work on good pay, with fair pay for fair work.

I also want to see people availing of citizens information centres, so they do not have to go to their local Deputy to find out about their entitlements. We are here to legislate, not to offer

clientelism. It is the Fianna Fáil type of clientelism that we experienced over a long period that got us into this position.

Deputy Seán Ó Feargháil: Try some therapy.

Deputy Kevin Humphreys: I will not continue for much longer.

Deputy Seán Ó Feargháil: Thank God for that.

Deputy Kevin Humphreys: In conclusion, Deputies raised a range of issues during the debate. I do not have the time to address all of them, although I took notes on each one. I look forward to the debate on Committee Stage when there will be an opportunity for closer scrutiny of what we are proposing, as well as what other political parties have proposed for the Department's budget. I commend the Bill to the House.

Question put:

<i>The Dáil divided: Tá, 74; Níl, 25.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Bannon, James.</i>	<i>Aylward, Bobby.</i>
<i>Barry, Tom.</i>	<i>Boyd Barrett, Richard.</i>
<i>Breen, Pat.</i>	<i>Broughan, Thomas P.</i>
<i>Butler, Ray.</i>	<i>Calleary, Dara.</i>
<i>Buttimer, Jerry.</i>	<i>Collins, Joan.</i>
<i>Byrne, Catherine.</i>	<i>Coppinger, Ruth.</i>
<i>Byrne, Eric.</i>	<i>Creighton, Lucinda.</i>
<i>Cannon, Ciarán.</i>	<i>Dooley, Timmy.</i>
<i>Carey, Joe.</i>	<i>Fitzmaurice, Michael.</i>
<i>Coffey, Paudie.</i>	<i>Flanagan, Terence.</i>
<i>Collins, Áine.</i>	<i>Fleming, Tom.</i>
<i>Colreavy, Michael.</i>	<i>Halligan, John.</i>
<i>Conaghan, Michael.</i>	<i>Higgins, Joe.</i>
<i>Conlan, Seán.</i>	<i>Kelleher, Billy.</i>
<i>Connaughton, Paul J.</i>	<i>McGrath, Finian.</i>
<i>Costello, Joe.</i>	<i>McGrath, Michael.</i>
<i>Creed, Michael.</i>	<i>McGuinness, John.</i>
<i>Deasy, John.</i>	<i>Murphy, Paul.</i>
<i>Deenihan, Jimmy.</i>	<i>Ó Cuív, Éamon.</i>
<i>Deering, Pat.</i>	<i>Ó Feargháil, Seán.</i>
<i>Doherty, Pearse.</i>	<i>O'Sullivan, Maureen.</i>
<i>Doherty, Regina.</i>	<i>Pringle, Thomas.</i>
<i>Dowds, Robert.</i>	<i>Ross, Shane.</i>
<i>Doyle, Andrew.</i>	<i>Smith, Brendan.</i>
<i>Durkan, Bernard J.</i>	<i>Troy, Robert.</i>
<i>Ellis, Dessie.</i>	
<i>Ferris, Martin.</i>	

<i>Fitzpatrick, Peter.</i>	
<i>Griffin, Brendan.</i>	
<i>Hannigan, Dominic.</i>	
<i>Heydon, Martin.</i>	
<i>Howlin, Brendan.</i>	
<i>Humphreys, Heather.</i>	
<i>Humphreys, Kevin.</i>	
<i>Keating, Derek.</i>	
<i>Kehoe, Paul.</i>	
<i>Kenny, Seán.</i>	
<i>Kyne, Seán.</i>	
<i>Lawlor, Anthony.</i>	
<i>Lynch, Kathleen.</i>	
<i>Lyons, John.</i>	
<i>Mac Lochlainn, Pádraig.</i>	
<i>McEntee, Helen.</i>	
<i>McGinley, Dinny.</i>	
<i>McHugh, Joe.</i>	
<i>McLellan, Sandra.</i>	
<i>McLoughlin, Tony.</i>	
<i>McNamara, Michael.</i>	
<i>Mitchell O'Connor, Mary.</i>	
<i>Mulherin, Michelle.</i>	
<i>Murphy, Dara.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>Ó Snodaigh, Aengus.</i>	
<i>O'Brien, Jonathan.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Dowd, Fergus.</i>	
<i>O'Mahony, John.</i>	
<i>O'Reilly, Joe.</i>	
<i>Penrose, Willie.</i>	
<i>Perry, John.</i>	
<i>Rabbitte, Pat.</i>	
<i>Reilly, James.</i>	
<i>Ring, Michael.</i>	
<i>Ryan, Brendan.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Tóibín, Peadar.</i>	

<i>Twomey, Liam.</i>	
<i>Varadkar, Leo.</i>	
<i>Wall, Jack.</i>	
<i>White, Alex.</i>	

Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Billy Kelleher and Seán Ó Fearghaíl.

Question declared carried.

4 o'clock

Social Welfare Bill 2015: Referral to Select Committee

Minister for Children and Youth Affairs (Deputy James Reilly): I move:

That the Bill be referred to the Select Sub-Committee on Social Protection pursuant to Standing Orders 82A(3)(a) and (6)(a) and 126(1) of the Standing Orders relative to Public Business.

Question put and agreed to.

Credit Guarantee (Amendment) Bill 2015: Order for Second Stage

Bill entitled an Act to amend and extend the Credit Guarantee Act 2012; and to provide for matters connected therewith.

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Gerald Nash): I move: "That Second Stage be taken now."

Question put and agreed to.

Credit Guarantee (Amendment) Bill 2015: Second Stage

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Gerald Nash): I move: "That the Bill be now read a Second Time."

Finance is the lifeblood of every business, a fact acknowledged in the programme for Government and in the actions this Government has taken since assuming office in March 2011. Enterprise needs finance for working capital and to feed investment, expansion, growth and jobs. In spite of recent progress, finance for business remains high on the agenda of Irish SMEs in the context of national competitiveness. It is for this reason that we are revisiting the issue of

credit guarantees to ensure that Irish firms have the full suite of supports necessary to compete and succeed and to operate on a level playing field *vis-à-vis* international competitors.

On 15 October 2015, the OECD's centre for entrepreneurship, SMEs and local development published a report entitled *Financing SMEs and Entrepreneurs 2016*, which benchmarked access to finance across the period 2007-14 in 37 countries, 18 of which were from the EU. As regards Ireland, the OECD reviewed many of the market conditions as well as the range of Government policy and other responses to the crisis for SMEs, including, *inter alia*, the introduction in 2012 of our credit guarantee scheme. The OECD study confirms that access to finance for small, medium and micro enterprises remains high on the political and business agendas in many countries in the context of the recession and the difficult economic conditions of much of the past decade. It lists as one of its key findings the fact that loan guarantees continue to rank first among policy instruments used by governments to facilitate access to finance for SMEs.

The role of financial instruments is growing globally and the European Union has a particular interest in ensuring that guarantees are used to leverage as much as possible in private sector co-investment to optimise the return on the taxpayers' euro. The trend is growing and will continue to do so for the foreseeable future. That is why we are focusing on credit guarantees here today. I will come back to this OECD study presently, but having set some international context, I will turn to the content of the legislation in greater detail, including the background of how we got here and the intentions of the revisions proposed.

As I mentioned at the outset, upon taking office in March 2011, the Government faced a major crisis in the economy, not least in respect of access to finance for SMEs, the section of the economy accounting for 68% of employment in the country, and this at a time when increased employment was the highest priority. No significant action had previously been taken to address this major area of concern to business and, accordingly, the 2011 programme for Government committed to the implementation of a credit guarantee scheme for banks against losses on qualifying loans to job-creating small firms. The scheme was designed to get banks back lending again to viable businesses in cases where there was either a lack of collateral or where banks lacked or had no understanding of the operation of novel SMEs, their business models or their markets.

In April 2011, the Government took note of initial work by the Minister, Deputy Bruton, on this issue, indicating that there were also serious issues of competitive disadvantage for Irish firms in this area because credit guarantee schemes of one form or other were in place in dozens of other countries to address situations of market failure. The Government tasked the Minister, in conjunction with the Ministers for Finance and Public Expenditure and Reform, to continue to move towards Irish legislation in this area.

In November 2011, the Minister received Government approval for the urgent drafting of a Bill to give effect to the work undertaken and for the appointment of an operator for the day-to-day operation and management of any future scheme or schemes made under the legislation. In July 2012, after passing all stages in both Houses of the Oireachtas, the Credit Guarantee Act 2012 was enacted. With the Act in place, the Minister's focus then switched to the drawing up of the scheme made under its provisions and an order was subsequently made giving effect to the credit guarantee scheme 2012. Finally, after conducting a public tender under the relevant public procurement, the Minister appointed an operator and the scheme went live on 17 October 2012. In short, the 2012 Act and the 2012 scheme were designed in double quick time to facilitate additional lending to small business for three years, from 2012 to 2015.

As regards the operation of the scheme to date, the Minister, the Department and I have maintained very close contact with the operator, receiving detailed weekly, monthly, quarterly and annual reports. Some of these details have been published on the Department's website on a quarterly basis. I recently asked the operator for up to date figures to present to the House today, which I would summarise as follows: sanctioned lending overall stands at approximately €30 million; the average loan sanctioned stands at approximately €157,000; and the employment impact is estimated to be 1,120 new jobs created and 643 existing jobs maintained. The regional distribution *vis-à-vis* sanctioned loans is as follows: the east of the country, which includes Dublin, Kildare, Meath and Wicklow, 56.52%; the mid west, Limerick, Clare and north Tipperary, 11.84%; the south east, 10.88%; the south west, 7.85%; the midlands, 6.67%; the west, Galway and Mayo, 4.61%; the north east, Cavan, Louth and Monaghan, 1.43%; and the north west, Donegal, Sligo and Leitrim, 0.2%.

An integral part of the 2012 Act was a Government commitment to review its operation to ensure that it was fit for purpose and was meeting the needs of business. Section 10 of the Act provided that "the Minister may, at any time, conduct a review of any Scheme made thereunder". In mid-2013, the Minister, noting the fact that loans sanctioned were running at less than expected despite a relatively high estimated level of positive jobs impact and with no loans defaulting at the time, commissioned a full external review of the operation of the 2012 Act and the 2012 scheme. The consultants engaged via competitive tendering to carry out the review were First Choice Financial Services and AJS Financial. Their report was laid before the Houses here in July 2014 and the contents were reported to the Joint Committee on Jobs, Enterprise and Innovation in the autumn of that year.

In short, the review concluded that while the scheme had real merit, its complexity, the narrow range of products covered and the apparent disproportionate skewing of risk distribution in favour of the State as guarantor made it unattractive for the banks to operate. The review accordingly proposed changes in respect of the simplification of scheme procedures, the term of the guarantee, the spread of risk sharing and the product range.

On 3 February 2015, as an interim measure and addressing a range of concerns brought to my attention at short notice, I, with the consent of the Minister for Public Expenditure and Reform and the Minister for Finance, made an order giving effect to a second scheme under the 2012 Act, namely the Credit Guarantee Scheme 2015, SI No. 48 of 2015. This made two revisions to the existing 2012 scheme, namely providing for the refinancing of some loans where an SME's bank is exiting the Irish SME credit market and extending the maximum length of the guarantee from three to seven years. However, these revisions notwithstanding, it was clear that more significant change requiring primary legislation would be needed to ensure that the Irish credit guarantee system fitted the needs of business, enabling Irish firms to possess the full suite of supports necessary to compete and grow internationally.

The Minister brought the contents of the review referred to earlier to the attention of Government on 17 June 2014 and got approval to draft a Bill to amend the 2012 Act and by extension the associated schemes to enhance uptake, facilitate the growth of SMEs and support job creation. At that meeting, the Minister was also requested to work with colleagues to seek an appropriate role for the newly established Strategic Banking Corporation of Ireland, SBCI, in the operation of the credit guarantee scheme. Work on the latter was initiated immediately by officials of the Department of Jobs, Enterprise and Innovation and the Department of Finance.

At its meeting on 22 July 2015, the Government approved the text of the Bill, its presenta-

tion to the Dáil, and its circulation to Deputies. The Bill was subsequently published on 16 September 2015 and a detailed regulatory impact assessment, RIA, thereof was posted on the Department's website the following day. In short, the RIA stated that the Bill was being pursued to achieve the objectives of both the Oireachtas and Government in terms of providing additional credit for SMEs and job creation. Broadly speaking, the provisions are designed to amend the 2012 Act and 2012 and 2015 schemes as follows: to broaden the definition of lender to cover additional financial product providers such as lessors, factors, invoice discounters and other non-bank financiers; to change the definition of loan agreements to include non-credit products such as invoice finance and leasing and to include overdrafts; to rebalance the risk between the State and finance providers; and to charge an appropriate premium for the guarantee.

More specifically, section 1 is a definitions section. Section 2 amends section 1 of the 2012 Act by defining new key concepts such as finance agreements and finance providers and related matters. Section 3 substitutes a new section 2 of the 2012 Act, providing for certification and approval of finance providers as participating finance providers. Section 4 substitutes a new section 4 of the 2012 Act, allowing the Minister to share risk with said participating finance providers, subject to constraints i.e. caps and limits. Section 5 amends section 5 of the 2012 Act, to broaden the scope of any future scheme or schemes under the legislation to cover non-bank finance providers. Section 6 amends section 8 of the 2012 Act to allow the Minister to charge a premium on all of the products covered by the legislation. Section 7 amends section 9 of the 2012 Act in respect of the withdrawal of the guarantee; and section 8 of the Bill deals with transitional provisions.

When approving the drafting and publication of the Bill, the Government also agreed to a proposal by the Minister for Finance that the Departments of Jobs, Enterprise and Innovation and Finance would work together on any additional necessary amendments to the Bill in respect of a role for the SBCI in this area. In view of this, I can now inform the House that it is intended to table, on Committee Stage, technical amendments to provide for a new section proposing to set out in law the detailed criteria under which the Minister shall calculate premiums, primarily that they shall not exceed the level needed to defray, or partially defray, the costs of the scheme; and clarifications to ensure that finance providers meet applicable legal requirements in respect of their conduct of their business under the legislation.

In addition, there will be important changes in a new and separate Part of the Bill under the following two headings: the provision for State promotional financial institutions that will, in the future, work with the Minister through this legislation to enhance the provision of credit to SMEs; and a role for the Minister to be able to give counter-guarantees intended to enable promotional financial institutions to unlock matching guarantee facilities from EU sources and share the risk across banks, promotional finance providers, for example the SBCI, the Minister, and a number of potential EU sources. In respect of the latter, it is envisaged that this counter-guarantee would operate in conjunction with the leveraging of related EU financial instruments in this area, such as the European programme for competitiveness of SMEs, COSME; Horizon 2020 funding earmarked for SMEs; and the European fund for strategic investment, EFSI, administered by the European Investment Bank and European Investment Fund, better known as the Juncker plan. This will allow Ireland to optimise its return from such major EU initiatives. My Department is continuing to work with the Attorney General's office on these points, and I propose to circulate revised text to the Oireachtas in the very near future.

I referred at the outset to the overarching economic need to ensure that Irish firms have the full suite of financial and other supports available to compete internationally. The October 2015

OECD study covering 37 countries, which I mentioned earlier, traces the heavy toll of recession and financial and debt crises on economies in the second half of the last decade. It goes on to state that these crises clearly illustrated the dangers of a financial system in which SMEs overwhelmingly rely on bank lending for their financing needs. It found that, notwithstanding the acknowledgement by governments of the continuing central role of the banking system, the vast majority of them also continue to support access to bank financing by SMEs. In fact, 33 of the 37 countries, including Ireland, provide loan guarantees.

This is the ground we have covered in the Bill, not just in strengthening and improving the guarantees as regards the risk spread, but also in the extension to non-traditional, or non-bank, sources of finance. The OECD found that the use of alternative financial instruments continues to grow, and that government policies to promote alternative sources of finance for SMEs proliferated in other countries in 2014 and 2015. Our actions here today continue to reflect that trend. The review, the Bill and the further amendments to come have been in the works for some time. It is clear from the OECD report that the approach of the Irish Government is in line with best and current international practice, and it is for this reason that I wish to move the Second Stage debate of the Bill.

To summarise, the work of the current Government in this area has been important to SMEs, and over 1,700 jobs have benefitted from the existing scheme. Our external review, undertaken early and in response to market demand, pointed clearly to the economic need for action, and we set about taking it. Significant legislative change was needed, and the Government gave its approval to legislate for such change. The technical nature of the legislation requires close working co-operation between Ministers, the Attorney General and officials to get this right, which was undertaken in line with best practice. The Bill and the Committee Stage amendments I have outlined, in particular those facilitating the leveraging of EU funding, will have significant benefits for employees, job creation and maintenance, for SMEs and the economy at large. For all of those reasons, I commend the Bill to the House

Deputy Dara Calleary: At long last the Bill has finally arrived. Deputy Tóibín and I have been identifying problems with the credit guarantee scheme since early 2013. The Minister committed to a review, which he completed in 2013. It is not good enough that it took so long although the fault is not with the Department. This was a scheme that had potential to be hugely important and beneficial. It has taken so long to deal with the difficulties that were identified early on in its lifetime that many people will not get the opportunity to avail of it. I will come to some of those difficulties later and on Committee Stage.

The measures outlined in the Bill must result in the scheme improving lending to SMEs. It was identified in the OECD report on competitiveness that we have fallen since last year in terms of access to finance by SMEs. Within the last 24 hours, Bank of Ireland announced its decision to restrict cash dealings. That does not just affect older people and rural communities but also many SMEs, particularly those in the service sector which have already been hit with serious lodgement charges. They have been told on what days they can and cannot lodge coin, and now they are being told they can only lodge over €3,000. That means a lot of businesses are going to be keeping cash on their premises. This is not good enough and it shows the need for something radically different in respect of SME finance. The Bill goes some way towards achieving that but we have a long way to go. The Minister of State's party made a commitment in its manifesto and there is a Government commitment to a new business bank. What we have is a strategic banking corporation which is more of an agent or wholesaler using the existing banks. It has not made the difference or put the cat among the pigeons in terms of challenging

the existing bank network to address SMEs and come up with new products.

The first problem with the credit guarantee scheme, which was identified at its inception, is the cost of the scheme and the premium on it. It is high-risk lending and a high-risk product, but the cost is too prohibitive for many businesses. This has not been addressed. The scheme was launched in October 2012 amidst the usual spin that comes with everything this Government does. It was supposed to provide €450 million over three years, which was the aim and expectation created. We now see that it has only just managed €1 million a month, so to get to the €450 million we would need another 35 years. The Minister of State, myself and everybody else in this Chamber will be well gone out of it in 35 years. The scheme needs radical surgery. The Bill goes some way towards doing that, which is why we will support it on Second Stage. We will, however, be tabling some amendments on Committee Stage.

The review of the scheme was damning and I welcome the Minister of State's willingness to commission and publish it. We need urgent responses and that is not understood in the Attorney General's office. A product like this is directly relevant to business and businesses are hungry for it. While best practice must absolutely be observed, it must also be acknowledged that the market is fluid. The product was badly needed over the last years and there was not time for it to be left waiting in an in-tray. I always note that the amount that was sanctioned for these schemes is given. I would like to see the amount that has been drawn down. There is always a big difference between bank lending figures for what has been sanctioned and those for what has been drawn down because the conditions around drawdown at the moment are so strenuous and expensive that it does not happen for many people.

I refer the Minister of State to the report of the SME advisory group of 2012 which focused in particular on the old banks' obsession with personal guarantees. I remember how representatives of the SME advisory group zeroed in on personal guarantees when they appeared before the Oireachtas Committee on Jobs, Enterprise and Innovation. The Credit Review Office and the Credit Reviewer, John Trethowen, re-emphasised their criticisms of these and the committee will have the chance to discuss that with him next Tuesday. Are there views within the Department and the Government about the continuing reliance of the banking system on personal guarantees and the fact it is an ancient way of doing business? It belongs to the Vikings. That personal guarantees have been exposed as a very weak instrument over recent years should surely challenge the Minister of State to do something else.

I am interested in the proposal for State promotional financial institutions. What does that mean in English as opposed to Department-speak? Is it a new bank? Is it a new ICC? Is it a marketing organisation? Will it be another version of the SBCI that will act as a wholesaler and push that money out through the existing pillar banks?

I have spoken in detail about the change the Government introduced earlier in the year relating to banks exiting markets and facilitating the credit guarantee scheme to people whose loans are being sold, but there is still an issue with banks staying in the Irish market and selling their loan books. I refer specifically to Ulster Bank. The businesses, many of which are viable and trading profitably but are left with legacy loans from decisions made, find their loans being sold overnight to various companies. We heard all the usual suspects mentioned in respect of the other NAMA portfolio. For this to be most effective, we need to extend it to banks who are staying in the market and give every business whose loan is being sold the chance to buy or bid for that loan using the credit guarantee scheme. It must be said that the pillar banks - AIB and Bank of Ireland - are engaging. I think they are using SBCI funds to do that but there is an

anomaly whereby if a person has a loan with a bank that is exiting the market, the credit guarantee scheme is there to support him or her, but if his or her bank has not taken that decision, he or she is not supported. Surely there is something radically unfair about that.

The issue of expense needs to be examined. In respect of the messaging of the scheme, perhaps the Minister of State will reflect on what the review said in its summation of the previous scheme. It said it was overly complicated, offered a narrow range of lending products and skewed the risk in favour of the State. That is pretty damning from a Government-appointed review and we need to ensure this scheme is accessible and not too expensive. I am still not convinced the premium reductions are enough, particularly in the context of 2015-2016 versus 2012-2013. Many businesses in this space are now stronger and have stronger trading accounts to back this up. If it is to make a difference in the market, the pricing of this product needs to be reviewed.

I am also very concerned about the disparities in regional lending rates which the Minister of State quoted. I have no doubt that businesses in Donegal, Sligo, Leitrim, Cavan, Monaghan and Louth are expanding and want to use this facility. We must look at why they are so low in terms of the national proportion. It is the same in Galway and Mayo. Again, the Department is constantly pushing a recovery that is Dublin-centric and Dublin-centred. A role for monitoring not just the credit guarantee scheme but the work of the microfinance scheme and the lending done by the LEOs should be stitched into the regional job action plans, on which the jury is still out, to ensure there is not such a regional disparity. It does not even come down to the value of lending. The number of credit guarantee schemes granted in Dublin, Kildare, Meath and Wicklow is 72, whereas in counties Louth, Monaghan and Cavan, the number is five. This does not seem to add up. There needs to be a focus on this and work needs to be done to ensure businesses in these regions are aware of the scheme and what can be done through that scheme.

The Minister of State referred to the necessity of looking at new and non-traditional sources of lending. I had hoped to speak on the Finance Bill but owing to the guillotine the Government imposed, I did not get the chance. We must look at crowdfunding. There is some movement towards it in the budget but nothing like what we need to do radically to support business. We need to encourage more investors to come into it. Rather than taxing their returns, which are minimal, with full USC and PRSI, we need to give crowdfunding a break and incentivise people to use it to lend to businesses, especially smaller businesses and start-up businesses in existing sectors which find it very difficult to get grant and loan support. There is so much that could be done around crowd financing through the LEO network and Microfinance Ireland if we made it more successful.

We have ignored and continue to ignore the role of the credit union movement in terms of SME lending. The Minister for Finance seems determined to freeze the credit unions out of this economic recovery even though they are the foundation of many societies, a locally led recovery and, in 90% of cases, responsible lending, unlike many of the pillar banks. Credit unions must be given a role in what the Government defines as non-traditional sources of SME lending.

This is important. I am frustrated by the delay. Again, I emphasise that I know the delay is outside the control of the Department but now that this will be passed by both Houses over the next month, we need to get it out there. It needs to be promoted and pushed. I am not sure the traditional pillar banks are good at doing that. They certainly did not put their shoulder to the wheel in terms of promoting the credit guarantee scheme in its old inception. I am very

intrigued by this State promotional financial institution but in terms of selling and promoting it, that is the purpose of the LEOs and Microfinance Ireland. They have shown themselves to be able for the task, particularly Microfinance Ireland in the past 18 months. We need to get it out there and promote it. I look forward to giving some clarification on that. We will support it on Second Stage and will table a number of amendments to reflect what I have said.

Deputy Peadar Tóibín: One of the big failures of the Government has been its inability to create a functioning credit market. The dysfunctional credit market is a significant player in many of the problems we have in the State, for example, in the housing market where we have not been able to get credit into the hands of builders to meet the demand for housing. It has also played a significant role in the problems affecting small businesses. Much legacy debt is still in place. Many businesses are frozen out of growth and development because they are unable to service their loans or at least grow beyond servicing their loans.

One of the reasons we have this dysfunctional system is because the Government has created an oligopoly when it comes to banking. I mentioned this earlier in the debate on the Finance Bill. The Government decided to have a very concentrated and limited banking market when it created two pillars and a few smaller players. This oligopoly will behave like one. In other words, in the market there is seller power and buyer weakness, which manifests itself in the behaviour of the banks. Yesterday's announcement by Bank of Ireland that it would prohibit individuals from accessing less than €700 or lodging less than €3,000 at a desk is an example of people abusing their seller power in the market. It can be seen left, right and centre in high mortgage interest rates, high business rates and the closure of small banks around the country. If we had a more diverse and less concentrated banking market, there is no doubt in my mind that it would create far more competition and power among buyers and many of the problems regarding credit and access to finance would start to dissipate, but that does not look like it will change any time soon.

The Minister of State mentioned - fair play to him for doing so - that because of the malfunction of the credit market, the Government had been forced to create an ecosystem of financial products. That is a pity because it should have put the effort into fixing the initial market. This ecosystem was discussed at length by all sides in 2011 and 2012 and we mentioned that it needed to be customer-orientated from the start. It needed to be built around individuals. In 2012 the Government stated it would create a mechanism to allow €450 million be made available in business credit over the period of three years. There was big fanfare and the Taoiseach, the Tánaiste and the Minister for Jobs, Enterprise and Innovation were involved in the announcement. We were told it would provide much-needed credit for job-creating small and medium enterprises, SMEs, which were struggling in the market.

Debate adjourned.

Topical Issue Debate

UK Referendum on EU Membership

Deputy Brendan Smith: I thank the Ceann Comhairle for selecting this very important matter for discussion and I am glad that the Minister of State at the Department of Foreign Af-

fairs and Trade, Deputy Deenihan, is present to reply.

A report published today by the Economic and Social Research Institute, ESRI, highlights the possible economic implications of a British exit from the European Union for Ireland across four areas - trade, foreign direct investment, energy and migration. The findings make for sobering reading and it is clear from the report that the consequences for Ireland would be far reaching and wide-ranging. Among the findings is that it is estimated that a Brexit could reduce bilateral trade flows between Ireland and Britain by 20% or more. In addition, less foreign direct investment is likely to result in slower economic growth in Britain which, in turn, would impact negatively on Ireland's economic growth. The report also highlights the fact that the all-island electricity market has been in place since 2007 and that if the electricity market in Britain remains independent of the rest of the European Union, interconnection with Britain only would leave Ireland vulnerable to problems in the British market.

In terms of migration, the report underscores the point that a British exit from the European Union would open up the possibility of restrictions on the free movement of people between Ireland and Britain for the purposes of work. As we all know, Britain has long been a destination for many Irish people seeking work, particularly during times of high unemployment, and an exit from the European Union could have significant repercussions for the Irish labour market. We were all very glad that for a period of seven or eight years, from 2000 onwards, there was huge migration back to Ireland from Britain of former Irish emigrants.

The findings of the ESRI's report are stark and underscore the seriousness of this issue. The referendum will take place in the not too distant future and it is clear that we need to start a national conversation on the implications of a Brexit and what it would mean, not only for Ireland but for the European Union as a whole. If Britain was to leave the European Union, the nature of the most successful transnational organisation ever created would be irrevocably changed.

We in Fianna Fáil believe awareness needs to be created across all of the country of the gravity of this issue in terms of trade, employment, tourism, agriculture, fisheries and food, the free movement of people and, of course, the situation in Northern Ireland. Britain is our nearest neighbour and largest trading partner. We are the only people in the European Union who share a land border with the British jurisdiction. If people in Britain were to vote to leave the European Union, the knock-on effects would be felt the length and breadth of the country, particularly in the Border counties, including my constituency of Cavan-Monaghan. Farmers and food processors, North and South, depend on access to the EU market of 500 million people. The business community would suffer badly from a situation where there was a new border across the Six Counties, a regulatory border that would divide the island once more.

We must re-establish EU solidarity. This is vital if we are to convince Britain and Northern Ireland to remain part of the European Union. The normal EU spirit of solidarity and co-operation between member states is best illustrated in the Border region. Peace programme funding has been vital in supporting the fledgling Agreement framework. Co-operation between the North and the South and between Ireland and Britain has been the engine of the Good Friday Agreement. Our role as co-guarantors of the Agreement binds us together. The Irish and British Governments are co-guarantors of an international agreement lodged with the United Nations. North and South, we have to maximise the potential of the Good Friday Agreement for the good of all of the people on all of the Island. These links were forged in the common ground of the European Union and need to last.

Minister of State at the Department of Foreign Affairs and Trade (Deputy Jimmy Deenihan): I thank the Deputy for raising this issue. As the House will be aware, the United Kingdom's membership of the European Union is a matter of strategic importance for the Government. We believe the United Kingdom's continued membership of the European Union is highly important to Ireland's interests and the interests of the European Union as a whole. All research to date, including the excellent report by the Oireachtas Joint Committee on European Affairs, suggests the overall implications for Ireland would be negative. Obviously, the exact consequences of a UK exit from the European Union would depend on what arrangements were subsequently put in place between the United Kingdom and the European Union.

We do know from various published assessments, not least that published today by the ESRI and commissioned by the Department of Finance, that there would be very significant strategic and economic risks for Ireland if the United Kingdom were to leave the European Union. The ESRI's research has found that, second only to the United Kingdom, of all EU member states, Ireland would suffer the most negative consequences of a British withdrawal, which could be extremely disruptive to the Irish economy, even if the United Kingdom was to maintain a preferential trade agreement with the European Union. The research identifies four key areas where the effects of a Brexit could be significant - trade, foreign direct investment, energy and migration. It also suggests there could be particular impacts on SMEs, certain sectors and regions, including the Border area. The negative implications are not just economic, they would also arise in respect of Northern Ireland and, more broadly, our positioning within the European Union.

The Government is well aware of the challenges and we will continue to deepen our analysis and understanding of the issues at stake. The best way to mitigate these risks is to work hard, with EU partners, to ensure a British exit does not happen. This Government's overriding focus, therefore, is on helping to keep the UK in the Union, not preparing for its departure. This position has been elaborated many times by the Government, including by the Taoiseach and the Minister for Foreign Affairs and Trade, in this House and in keynote speeches such as the Taoiseach's address to the British-Irish Association in Cambridge in September, and the address of the Minister, Deputy Flanagan, at Chatham House in London later that month.

Therefore, as regards the UK's EU reform agenda, from the outset our position has been that we will be as constructive as possible in the negotiations. There are a number of areas where we share British concerns and where we also see room for improvement in how the Union operates. Precise proposals have not yet been put on the table. The Prime Minister is, however, expected to set out some further thinking very soon and a negotiating process will get under way after that. We will play a constructive role in these negotiations, though of course the detail will require careful examination. We want to work with the British Government and all our EU partners in that process so as to find a consensual basis for the UK's continued presence in the Union.

Deputy Brendan Smith: I thank the Minister of State for his reply. In my concluding remarks I referred to the Good Friday Agreement and its importance for the development of relations on an all-Ireland framework, namely, the relationships between North and South and east and west which, thankfully, have improved immeasurably over the past 15 or 20 years. Breaking the link by means of a unilateral British and Northern Irish withdrawal from the EU would deal an immense blow to our capacity to continue to work together in the best interests of all the people on this island and in Britain. We must do everything we can to safeguard Ireland's political and economic future. Fianna Fáil will be vocal in supporting Britain remaining a full member state of the European Union.

There is a need to create a better awareness throughout the island of the very serious issue that this is for us. Last July I hosted a public meeting in my own constituency in Cavan, which was addressed by our party leader Deputy Micheál Martin and by senior personnel from the Irish Farmers' Association, Queen's University Belfast and the Centre for Cross Border Studies. The meeting drew a huge attendance from counties Cavan, Monaghan, Louth, Sligo and Leitrim and from north of the Border. The SDLP is planning to hold public meetings north of the Border to create awareness and to ensure that civic society is engaged in the public debate and the campaign that will take place. Civic society will have a key role in ensuring the relevant issues are discussed when the referendum question is put to the people.

All of us who have participated in referendum campaigns here are well aware that, in many instances, issues that were not relevant at all to the question became the dominant issues in the debate. We do not want that to happen with this issue. I appeal to the Minister and the Government to ensure there is good political discourse in this State and throughout all of this island and that civic society is involved as much as possible.

One of the areas on which I would have liked the ESRI to have carried out some study is agriculture and food. Britain is a major trading partner and a hugely important destination for Irish food products and North and South work very closely at European level in agriculture matters. As the Minister will know, it is often the Irish Minister for Agriculture who defends the interest of the farming community and the food industry in Northern Ireland.

I appeal to the Minister not to allow the campaign to come down upon us without the necessary preparatory work having been done by our State to ensure we support Britain remaining a member of the EU in the strongest way possible. I grew up in a Border parish with customs posts on each road and permanent vehicle checkpoints. I do not want to see customs posts again. I want free movement of people on all of our island. It would be a dreadful return to the bad old days for all the people on this island if we were not to have free trade on the island and with the rest of the European Union.

Deputy Jimmy Deenihan: I agree that both the east-west and North-South relationships have never been better and they continue to develop. If there was a change of Britain's status within the EU it would set back those developing relationships and would have a huge effect on the economy of this country. At the moment, some €1 billion in exports pass between Ireland and the UK every week so it would have huge implications. It is very important we campaign to ensure there is a rejection of this proposal in the UK.

There are 500,000 people who were born on this island but who live in the UK and one in four of all UK citizens have some Irish DNA so we can have huge influence in this referendum debate and we all have a duty to use that connection. This Government's position is well known. Our overriding focus is on keeping the UK in the European Union. We remain convinced that this is in the best interests, not just of our valued bilateral relationship but also of the Union as a whole.

We are conscious of the significant political, strategic and economic risks for us if the UK were to leave the EU. These are particularly relevant to the Irish economy and to Northern Ireland and, more broadly, to the balances within the EU. The most effective means of reducing these risks is to work hard with EU partners to ensure that a British exit does not happen. Ultimately, it will be for the British electorate to decide upon the future of the UK's relationship with the European Union and it is our sincere hope that they choose to remain within this union

of partners and friends where we work together to achieve the best for all our citizens.

Inspector of Prisons Reports

Deputy Clare Daly: Without meaning any disrespect to the Minister who is present, I reiterate the point made by the Ceann Comhairle on Tuesday that it is regrettable when Departments do not furnish Ministers to answer issues relating to their Department. It is something we need to address but, that said, I do not think the sitting Minister for Justice and Equality would be able to answer the issues with any more clarity than the Minister of State who is present. Much as we might have criticised the former Minister, Deputy Alan Shatter, he had a greater understanding of the urgent need to reform our prison system than all his predecessors or the sitting Minister.

This week the latest report of the Inspector of Prisons was published. The media concentrated on his findings that the Prison Service was responsible for the growth of criminal gangs in prison. However, that is somewhat sensationalist because, while he did say the Prison Service did not have a clear operational strategy for dealing with criminal gangs, I agree with the points made by the Prison Officers Association that to blame the staff for this is outrageous and disproportionate. The staff, through their representative organisations, have been highlighting this issue for a number of years. Time and time again they have asked for gang leaders to be isolated, to be put into separate institutions and taken out of the general prison population so this criticism was spun unfairly. This is one area where prisoners are exposed and vulnerable and not getting the support they should get.

Staff in the Prison Service have seen their wages decimated.

5 o'clock

The starting rate of pay for prison staff is minuscule. Austerity is not incidental in this issue and we cannot look at the report in isolation. Two months ago the Inspector of Prisons produced a separate report which referred to the deaths of two very vulnerable prisoners. He highlighted the fact that prison records had been falsified by staff and that the prisoners had not been given the care and attention to which they had lawfully been entitled. In addition, we have had the revelations of the recording of telephone conversations between prisoners and their solicitors. This indicates dysfunctionality in the prison system, an issue which the Minister for Justice and Equality does not seem to be keen to address.

I refer, in particular, to what is happening in Portlaoise Prison. During the summer prisoners in the E block had to engage in protest action to highlight the squalid Victorian conditions in the prison. The failure of management to provide adequate medical cover or hygienic facilities has had a serious impact on prisoners' health. The practice of slopping out continues. Cells are damp and leaking beyond repair. They are unventilated and freezing cold during the winter. Access to a doctor is limited to two days a week and on several occasions no doctor is available. This is not good enough. It is a human rights issue.

A delegation of Deputies has requested permission to visit Portlaoise Prison and our request has been awaiting a reply for months, which is astounding. We regularly seek permission to visit Maghaberry Prison in Northern Ireland and are granted that permission without a problem, but here in the South when we ask for permission to go and look at conditions in Portlaoise

Prison, our letters are not answered. We are told our request is being considered, but we are left waiting for months for a reply. This is not good enough and is a very serious indictment of our society if we cannot treat in an appropriate manner these neglected citizens who may be despised but who, in some ways, are highly vulnerable.

Deputy Jimmy Deenihan: On behalf of the Minister who, unfortunately, cannot be present, I thank the Deputy for raising this important matter.

The Inspector of Prisons, Judge Michael Reilly, with the assistance of Professor Andrew Coyle, carried out an assessment of the current culture within the Irish Prison Service and the extent to which it facilitated or hindered the development of the service. The inspector officially presented his report to the Minister for Justice and Equality, Deputy Frances Fitzgerald, on Tuesday, 3 November. On her behalf, I take the opportunity to once again thank the inspector and Professor Coyle for all of their hard work in bringing the report to fruition.

This is the first time that an Inspector of Prisons who is independent of the Government has embarked on this type of review of the prevailing culture in the Irish Prison Service. The Minister welcomes the report which focuses on two key issues: the structure of the Irish Prison Service and the training and development of personnel. It contains many recommendations and seeks to provide a roadmap for the future. It will make a positive contribution to the reforms already under way in the Irish Prison Service.

As the inspector said at the time of announcing the review, there have been positive developments in recent years. Much has been done to address the many issues which have adversely affected the prison system for decades. For example, slopping out is being eliminated; modernisation of the accommodation wings in Mountjoy Prison is now complete; the new Cork Prison will be ready for occupation early in the new year; a significant redevelopment project for Limerick Prison is planned; we are well on our way to fulfilling the commitment in the current programme for Government to end the practice of sending children to St Patrick's Institution; and we are examining options to improve the detention and rehabilitative systems for female offenders. However, the Minister believes more can be done if we build on the investment already made by the Government, management and staff of the Irish Prison Service at all levels.

While highlighting challenges, it is welcome that the report also acknowledges the many positive aspects of the service, including the dedication of its staff. It also expresses concerns about the gang culture in prisons. Earlier this week the Minister joined the Garda Commissioner as she launched Operation Thor, a new anti-burglary and anti-crime strategy. It includes a new, targeted approach to disrupting criminal gangs, an effort backed by investment by the Government in both overtime and new high powered vehicles. As the Minister said on Tuesday at the launch of the report, she believes there should be no place for gangs operating in the community and no place for a gang culture in prisons. She has asked the director general of the Irish Prison Service to provide her with a comprehensive response to the report's concerns about a gang culture in prisons.

Deputy Clare Daly: The pace of reform has slowed since the former Minister, Deputy Alan Shatter, exited the brief. We need to look at this area very seriously. People in prison are citizens. In many ways, they are forgotten citizens, but we need to separate their behaviour from the human being and deal with that issue appropriately. A report published in June indicated that one in ten of the youngest inmates was on a restricted regime and locked up for up to 23 hours a day, which is not human rights compliant. That hundreds of prisoners have requested to

be in isolation indicates inappropriate governance in the Irish Prison Service. We need to step back and look at this. For example, when citizens end up in prison, we should take the opportunity to deal with their behaviour and rehabilitate them to enable them to go back into society. A way of doing this is to treat them humanely by addressing their living conditions, as prison, in one sense, is their home. The Minister of State has said slopping out has been reduced, which is true, but the reality is that it still happens in E wing of Portlaoise Prison, for example. Conditions in that prison are horrendous, with slabs of concrete falling off walls in the showers hitting prisoners, electrical wires exposed in the shower area, giving rise to the danger of electrocution, and doctors pointing to the possibility of legionnaires' disease being contracted because of the Victorian conditions in the prison. This issue needs to be addressed. I ask the Minister to intervene with the Irish Prison Service on behalf of the cross-party delegation of Deputies who want to visit the prison.

How we treat prisoners is important. For example, I have been dealing with the case of a Donegal man, Gerard McManus, since 2013. He has requested a transfer from Maghaberry Prison to Portlaoise Prison for family reasons. More than a year ago the Irish Prison Service informed me that it was dealing with his request for a transfer, yet it has still not dealt with it. This causes stress and isolation, as well as pressure on prisoners and it is not human rights-compliant. We could do better. I agree with the Minister of State that the Inspector of Prisons has done a great job in his reports. However, what he is suggesting is that we need to do considerably more, but I do not see enough evidence of this under the Minister.

Deputy Jimmy Deenihan: I acknowledge the Deputy's knowledge of the subject and her genuine interest in it. The report of the Inspector of Prisons is far-reaching and an important contribution to the reform of the criminal justice system, as the Deputy has acknowledged. The Minister, Deputy Frances Fitzgerald, and her officials need time to consider how its recommendations might best be implemented. The report will inform the Irish Prison Service's next three-year strategic plan for the period 2015 to 2018 which will focus on building relationships, rehabilitative measures, efforts to reduce reoffending and the further development of penal policy to realise the vision of a safer community through excellence in a prison service built on respect for human dignity. At the launch of the report the Minister said she intended to bring it to the Cabinet shortly, initially for its information and at a later stage for decisions to be made. In the interim she wants to ensure key stakeholders have a chance to reflect on it and provide feedback.

Schools Site Acquisitions

Deputy Ciarán Cannon: I thank the Minister of State, Deputy Deenihan, for coming in to discuss this matter. When the then Minister, Deputy Ruairí Quinn, announced what was perhaps one of the most significant capital building programmes ever announced by the Department of Education and Skills in early 2012, the fact that three schools in Athenry were included in the announcement was greeted with much relief in the town and hinterland because the town has experienced significant demographic growth in the past decade, not alone because it is a burgeoning market town but also because it is becoming a dormitory town for the city of Galway. With the recent announcement of an almost €1 billion investment by Apple in the future of Athenry one has to expect that the numbers will continue to grow.

The list that was published by the then Minister, Deputy Quinn, in early 2012 was based

purely on the demographic challenges faced by us at the time and that we continue to face in terms of responding to the needs of schools that were growing exponentially in terms of their enrolment. At the time there were three schools in Athenry on the list. One was Gaelscoil Riada, the second was the Presentation College and the third was Gairmscoil Mhuire. All three schools were listed at the time for new development. It was acknowledged at the time that finding sites for three such developments in Athenry would be difficult, and it has proven to be exactly the case. It has been very difficult to find or acquire sites and more than three years later, we are not yet at a point where definite sites have been acquired and are ready to go to planning permission for any of the three schools.

I have become increasingly frustrated with my engagement with the Department of Education and Skills in trying to garner some information from it as to where exactly we stand with each of the three schools. I will provide a quick overview of the current situation in terms of school enrolments in the three schools and the kind of facilities they have to work with. Presentation College has 1,200 students and teachers and it operates on a site of just under 2 acres, including 26 prefabs. It has no outdoor play area where young people can take part in any kind of sporting activity. Gaelscoil Riada has 285 pupils, with 53 more already registered for next year. All the classrooms are prefabs. There are no permanent buildings. The school occupies what was described as a temporary site more than five years ago. Gairmscoil Mhuire has approaching 700 students and staff, again on a very restricted site, with a seriously substandard building that has a flat roof suffering major water ingress issues all over it. I was in the school about two months ago and learned the school had to construct a very elaborate series of internal pipes to take away water that was leaking from the roof into the school's internal water system, which it should not have to do.

All that the boards of management and the parents associations of each of the three schools seek is something that should be very easily given to them, namely, information as to where exactly we are in terms of acquiring a site for each of the three schools. The Department seems to be very reticent about sharing the information, despite the fact that in a small town the size of Athenry, everyone is very much aware of the landowners with which the Department is engaging and to a certain extent where the schools are likely to be constructed. The situation is very unfair, in particular on the boards of management and the principals of the schools who have to respond as best they can to questions from parents as to the Department's plans and where exactly the development of their school lies.

I seek a simple response from the Department on where exactly we are at and how far away we are from lodging planning applications and acquiring sites for each of the three schools. I understand in one or two cases we are very close to completion of the preliminary stage and to getting under way. What is disappointing is the fact that despite numerous letters to the Department from each of the three schools in an effort to elicit some information, they receive nothing but silence or every now and then a letter which does not add any information to the information they already have. It would be great if the information vacuum could be addressed and a regular update could be provided by the Department on where it stands. That would serve to help the schools to address the many challenges they have in managing their schools on a daily basis and also in engaging with parents.

Deputy Jimmy Deenihan: I apologise to the Deputy for the absence of the Minister for Education and Skills who, unfortunately, is unavailable this afternoon. I thank the Deputy for raising the matter as it provides me with the opportunity, on behalf of the Minister, to clarify the current position on the acquisition of suitable sites to facilitate major capital projects for

Presentation College, Gairmscoil Mhuire and Gaelscoil Riada, Athenry.

The Deputy will be aware that the country has experienced an unprecedented population increase in recent years, which has posed a significant challenge for the provision of school places. Funding under the Department's five-year construction plan is focused on meeting demographic demands to ensure that every child will have access to a physical school place and that the school system is in a position to accommodate increasing pupil numbers. That involves prioritising school building projects in areas where demographic demand has been identified.

Athenry has been identified as an area of demographic growth. In that regard, major projects to provide new school buildings for both Gairmscoil Mhuire and the Presentation College that will cater for 1,000 pupils each have been included in the current five-year construction plan. In addition, a new 12-classroom school building will be provided for Gaelscoil Riada and a project for this school has also been included in the current five-year construction plan. New sites are required to accommodate these new school buildings.

The Deputy will be aware that the Minister signed a memorandum of understanding between her Department and the County and City Managers Association in 2012. The purpose of memorandums of understanding is to ensure a greater level of co-operation between the Department and the relevant local authority when sites for schools are being identified and acquired. In the case of the schools referred to by the Deputy, potential site options were identified by the Department working closely with Galway County Council. They were then jointly assessed from a technical perspective by officials from the local authority and from the Department. Subsequent to valuations being obtained, officials from Galway County Council engaged in negotiations with the landowner on behalf of the Department. In the course of the negotiations, discussions in regard to technical aspects of the development of the site arose and those issues required detailed examination at the time. Further to discussions on the matters, agreement has been reached.

I can confirm, therefore, that suitable sites have been identified, the acquisition of sites for the schools has been agreed, and the acquisition process is under way. Once the conveyancing process has been satisfactorily completed, the projects will be advanced into architectural planning. I assure the Deputy that the acquisition of new sites for the schools is a priority for the Department.

I again thank the Deputy for giving me the opportunity, on behalf of the Minister, to outline to the Dáil the current position regarding the acquisition of sites for Presentation College, Gairmscoil Mhuire and Gaelscoil Riada, Athenry.

Deputy Ciarán Cannon: The response indicates that suitable sites have been identified for each of the three schools. That is what the reply states, namely, that the acquisition of the sites has been agreed and the acquisition process is under way. I would be very grateful if the information could be conveyed directly to each of the principals and boards of management of each of the three schools. Perhaps the Department could undertake an examination of its policy of non-communications with boards of management because that has been my experience of the way the Department interacts with school authorities. The Department seems intent on keeping people in the dark to a certain extent as to how things are developing, which serves to build distrust and a lack of confidence in the Department. The building unit works exceptionally well even though it has a very difficult job to do. In this instance it is working hand in glove with officials in Galway County Council. I thank them and congratulate them on the work they

have done to date. However, there is a missing element, namely, ongoing communication with school authorities, teachers and parents to inform them of how the process is developing in each instance. It does not require daily or weekly updates but boards of management and principals deserve to be updated on a reasonably regular basis on how matters are progressing. I would be very grateful if the information that has been conveyed to me this evening would equally be conveyed to the respective principals and boards of management of each school.

Deputy Jimmy Deenihan: I again thank the Deputy for his comments and I will certainly pass on his request that the information would be conveyed to the principals involved. The Minister is aware of the necessity to acquire suitable sites for the new school buildings required for Presentation College, Gairmscoil Mhuire and Gaelscoil Riada, Athenry, in the context of the significant demographic demand in the area. Her officials will continue to further the acquisition process with a view to delivering the new permanent buildings as soon as possible. I also will contact the Department and ensure this information is passed on to the principals. I thank the Deputy.

Deputy Ciarán Cannon: I thank the Minister of State.

Educational Projects

Acting Chairman (Deputy Bernard J. Durkan): The next matter is in the names of Deputies Martin Ferris and Michael Healy-Rae to the Minister for Education and Skills concerning the need to provide support to Kerry Life Skills. Will Deputy Ferris indicate whether his colleague from County Kerry is in attendance in the House?

Deputy Martin Ferris: No, he has asked me to make the presentation. Unfortunately, he was obliged to return to County Kerry and is unable to be present.

Acting Chairman (Deputy Bernard J. Durkan): Very well. Deputy Ferris has four minutes.

Deputy Martin Ferris: I thank the Acting Chairman; that is very decent. Deputy Healy-Rae, the Minister of State and I are no strangers to the position in which Kerry Life Skills finds itself. We also are aware of the tremendous work it does in delivering social, personal and health education support to primary and secondary school students. It works in partnership with schools, families, communities and other agencies to empower children and young people to make choices and to support their well-being. It provides engaging and dynamic health and well-being support to 144 primary schools as well as to 18 secondary schools in the Kerry, north Cork and west Limerick area. Its service is youth-centred and needs-led. Programmes are evidence-based and are developed through a process of consultation with students, teaching staff, parents and community agencies in the areas on which Kerry Life Skills believes one should focus. It is a mobile service that travels to the heart of the communities it serves.

Kerry Life Skills primarily is self-funded up to the amount of €86,500, and I believe its overall running costs are approximately €170,000. This leaves a shortfall of €83,500 and this must be met by a variety of charitable sources. It receives some funding from local authorities, some corporate sponsorship and contributions from schools as well as benefiting from fund-raising and public donations. Nevertheless, this still leaves the organisation with a shortfall of €83,500. The service it provides is invaluable to young people in particular, both primary and

secondary students, who range in age from four up to 19. Neither the Minister of State nor Deputy Healy-Rae nor any Deputy from County Kerry needs any reminder of the work it does there as well as in west Limerick and north Cork. The charity is overseen by a voluntary board of directors who give freely of their time at no cost.

The charity seeks some support from the Government and it would be a great statement in recognition of the work it does and the service it provides were the Government prepared on behalf of the State to make funding available, certainly the outstanding funding of €83,500, which is small money when one considers the great work Kerry Life Skills does for young people. I hope the Minister of State will look upon this matter positively and will have a positive answer for Deputy Healy-Rae and me. I am quite confident the Minister of State has the same ethos of support regarding what Kerry Life Skills is trying to achieve and about making available the financial funding for that. I await his answer.

Deputy Jimmy Deenihan: I thank Deputies Martin Ferris and Michael Healy-Rae for raising this matter and acknowledge the presence of Deputy Ferris in the Chamber. I am taking this Topical Issue matter on behalf of my colleague, the Minister for Education and Skills, Deputy Jan O'Sullivan, who unfortunately is unable to attend to take the matter herself. The Minister certainly welcomes the work done by Kerry Life Skills in Kerry, north Cork and west Limerick in the area of the future health and well-being of young people by helping them to make healthy choices. The area of well-being is a priority for her Department. As noted, its funding is mainly derived from local authorities and other sponsors. The Minister must prioritise funding of mainstream education initiatives and resources in both primary and post-primary schools. For example, the Department has published Well-Being in Post-Primary Schools: Guidelines for Mental Health Promotion and Suicide Prevention in 2012, which was developed to implement action 2.1 of Reach Out: National Strategy for Action on Suicide Prevention 2005-2014. In addition, three documents on bullying have been prepared for schools and for parents to respond to the action plan on bullying published in 2013.

Social, personal and health education, SPHE, programmes are delivered in all primary and post-primary schools. The Department of Education and Skills, in partnership with the Health Service Executive, provides continuing professional development, CPD, to teachers to enhance the quality of their teaching and learning in this vital area. The SPHE programme contains a number of specific games that are relevant to positive mental health and well-being. These include promoting all aspects of a young person's health, fostering a sense of care and respect for himself or herself and enabling him or her to make informed decisions and choices about all aspects of life, including health. The Minister has prioritised well-being as a principle in the new framework for junior cycle. The junior cycle years are a critical time in young people's lives and the Minister wishes to ensure young people are given the confidence to be happy, healthy, well-connected and resilient.

While the Minister congratulates Kerry Life Skills on its work, she must note it is not possible for her or her Department at this time to divert scarce resources to local initiatives, including the Kerry Life Skills initiative, since she must prioritise whatever funds are available, for example, to the delivery of SPHE to all schools and for the development of the new well-being approach.

Deputy Martin Ferris: I thank the Minister of State for his reply. I am very disappointed that the line Minister cannot find €83,500, which is less than any single Deputy in this Dáil receives, and which could be used to benefit many young people in 119 primary schools and 18

secondary schools. When one considers the money that is required, I note the organisation is putting up 51% of the funding itself and the areas covered by it, namely, County Kerry, north Cork and west Limerick, have not yet enjoyed any sign of recovery. It is an insult to the commitment and dedication of Kerry Life Skills that the Government cannot find €83,500, especially given the acknowledgement by the Minister of State, other public representatives and me of the work it does as well as the acknowledgement by the Minister herself for the work it does.

Will the Minister of State, as a member of the Government, revert to the Minister, Deputy Jan O'Sullivan, and ask her to reconsider her refusal? It is the least these people deserve for the work they are putting in, most of which is voluntary, as well as the service they provide to young people from the age of four up to 19, particularly in the type of environment in which we find ourselves at present. I again thank the Minister of State personally for his reply and acknowledge that he is as committed as I am or as is Deputy Healy-Rae. However, he probably will have a lot more influence with his party colleagues and certainly with the Government than we would.

Deputy Jimmy Deenihan: I thank Deputy Ferris and concur completely with him on the contribution the Kerry Life Skills initiative has made to the health of young people in counties Kerry, Cork and Limerick. I certainly will take back to the Minister the points he has made and I will appeal to her again to provide the critical funding to ensure the survival of this programme. I again thank the Deputy.

The Dáil adjourned at 5.30 p.m. until 2 p.m. on Tuesday, 10 November 2015.