



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Déardaoin, 12 Deireadh Fómhair 2017

Thursday, 12 October 2017

Chuaigh an Leas-Cheann Comhairle i gceannas ar 10 a.m.

Paidir.

Prayer.

Ceisteanna - Questions

Priority Questions

Brexit Issues

1. **Deputy Niall Collins** asked the Tánaiste and Minister for Business, Enterprise and Innovation the contingencies and supports in place to safeguard Irish businesses and exports from a hard Brexit scenario including revision of state aid rules; and if she will make a statement on the matter. [43201/17]

Deputy Niall Collins: I want to ask the Minister to outline the contingencies and supports in place to safeguard Irish businesses, exporters and exports from a hard Brexit scenario that may transpire from the ultimate conclusion of the Brexit process, and also any measures she is taking regarding the revision of state aid rules.

Tánaiste and Minister for Business, Enterprise and Innovation (Deputy Frances Fitzgerald): The first thing the Department has been doing is engaging extensively with business and working cross-departmentally to deal with the challenges posed by Brexit, as well as continuing to provide support for diversification, development and innovation. We have been working with the Strategic Banking Corporation of Ireland, SBCI, to develop tailored and targeted supports to address the needs of businesses impacted by Brexit. We have the new Brexit loan scheme, which will provide affordable working capital financing to Irish businesses that are either currently impacted by Brexit or could be in the future. This is €300 million that will be available to SMEs employing up to 500 and it will be open to all businesses, not just to State agency clients.

I am also looking at the development of a longer-term business development loan scheme which would assist firms in long-term investing for a post-Brexit environment. All of the discussions with the Commission and other member states have centred around Brexit. Last autumn, officials of my Department initiated discussions with DG Competition to sensitise the Commission to potential difficulties likely to be encountered by Irish firms. This has been central to any discussions I have had with Ministers from the UK and, indeed, I raised it with Mr. Barnier when I met him earlier this year.

Much can be done within the existing state aid framework. As a precautionary measure, however, we recently filed a rescue and restructure scheme for approval under state aid rules. Once approved, this scheme would allow for grants or equity supports of up to €10 million to SMEs in severe financial distress as a consequence of Brexit. Our new loan schemes are also being developed in the context of EU rules. However, should the situation change, it may be important to negotiate some Brexit-related flexibility in state aid rules with the Commission. It is also possible that, if the trading situation worsened, it might be necessary at that point to make a strong case to the Commission that flexibility on State aid is needed. We are developing that case and working on it.

Deputy Niall Collins: It will not come as any surprise to the Minister that a recent survey of up to 600 Enterprise Ireland client companies found that, in the past six months, just 38% had taken measures to respond to Brexit, with the remaining 62% effectively doing nothing. The Minister outlined in her reply that she has set up a €300 million loan scheme. Can she give us more detail in that regard? All we are hearing is what flowed from her press conference in recent days. What type of loan scheme is it or is it a guarantee scheme? We understand that, effectively, the Minister is allocating €23 million of Exchequer funding and the remainder is to come from other sources of funding. Where will it come from and what criteria will apply in terms of a maximum and a minimum? When and where can companies apply? Can they apply as of today? How long will it take this scheme to get up and running?

Deputy Frances Fitzgerald: It is a loan guarantee scheme for SMEs that need extra liquidity to cope with working capital challenges brought about by Brexit. Obviously, we want to support businesses that would be viable if they had access to that capital. It will give affordable working capital financing to Irish businesses that can demonstrate they are currently impacted by Brexit or will be in the future. It will be delivered through the Strategic Banking Corporation of Ireland and through commercial lenders to get much needed working capital into Irish businesses. The aim is to make up to €300 million available but the total cost to the Exchequer will be, as the Deputy said, about €23 million. My Department will contribute €14 million and the Department of Agriculture, Food and the Marine will contribute €9 million, and SBCI will use this budget to leverage the overall fund up to €300 million. It is open to all eligible businesses with up to 499 employees. The minimum loan size will be about €25,000 and while the maximum loan size is still under review, it will be in excess of €1 million. SBCI will have a website towards the end of this month where businesses can register an interest and SBCI will then develop the various criteria and engage with the businesses. It will be the new year when it gets up and running. It is an important scheme in the context of Brexit.

Deputy Niall Collins: The Minister will be aware from her Department that, previously, when the country faced a crisis, the then Government introduced a number of measures, including in 2009 an enterprise stabilisation fund that allocated up to €100 million over two years to support exporting companies. There was also an employment subsidy scheme which at the time helped employers to support over 90,000 jobs. They were very innovative schemes at a

time when people needed supports. Has the Minister given any consideration to introducing similar measures and, if not, why not?

Following on from the Minister's earlier comments on the relaxation of state aid rules, and what we perceive as the need to relax the application of state aid rules, given the current ceiling for companies is €200,000 over a three-year period, does the Minister not feel a more robust and active engagement is needed with DG Competition and with the Ministers she meets at the Council of Ministers meetings in order to address these issues? It is hugely important that we have all the defences available to us, rather than arriving at the problem juncture before deciding we have to work on relaxing state aid rules. Let us have it sorted and bring it in, if necessary.

Deputy Frances Fitzgerald: I and my officials in the Department are very alert to these issues, and we have to be in the context of Brexit. This is an enormous challenge for business and one of the greatest challenges Irish businesses have ever faced. We want businesses to get involved with supports that are there at present. As I have already said, we have filed a rescue and restructure scheme under the state aid rules, but that is another initiative that is well under way. A number of other countries have done this and I reassure the Deputy that we are working with like-minded countries in relation to the challenges posed by Brexit.

My officials are actively having the kind of discussions the Deputy mentioned should the need arise to put the case on state aid rules as I have outlined it. We are very alert to the issues. I encourage all businesses to get involved with the supports that are there, to work with Enterprise Ireland and to engage with the agencies. There are various supports, including the €5,000 be prepared grant to begin the process for smaller businesses, which could be taken up more than it is at present. A new hub for businesses will be provided next year, which will also give some financial support to help them continue the process of preparing. The Deputy is right that we need to see more companies examining precisely what the impact of Brexit will be on their businesses. More and more companies are engaging on the issues and preparing their own plans to deal with the challenges they face, especially those companies that have a high dependency on the UK market.

Office of the Director of Corporate Enforcement Legal Cases

2. **Deputy Maurice Quinlivan** asked the Tánaiste and Minister for Business, Enterprise and Innovation when the report into the failings of the Office of the Director of Corporate Enforcement in a trial (details supplied) will be published, having been delivered to her office in July 2017. [43200/17]

Deputy Maurice Quinlivan: My question pertains to the report into the failings of the Office of the Director of Corporate Enforcement in the Seán FitzPatrick trial. Will the Minister indicate when this report will be published, the report having been delivered to her office last July?

Deputy Frances Fitzgerald: I can confirm to the Deputy that I received a report under section 955(1)(a) of the Companies Act 2014 from the Director of Corporate Enforcement on 23 June. This report addresses the issues highlighted by Judge Aylmer in his ruling in the case of DPP v. Seán FitzPatrick. The report sets out the facts relating to the case and does not purport to be an investigation or an inquiry. It covers the main issues directed at the ODCE by Judge John Aylmer in his ruling on 23 May 2017. This includes the coaching of witness statements;

late disclosure of documents; a perceived bias by ODCE investigators; and the shredding of documents.

I have sought the advice of the Attorney General, specifically as to whether there are any legal impediments to publishing the report and discussing its contents in the Oireachtas. While it is crucial to identify and learn from any shortcomings in the investigative process in one particular trial, it is also important to recognise the very valuable role the ODCE has played, and continues to play, in facilitating compliance and enforcement of company law. Between 2012 and 2016, investigations by the ODCE have resulted in the restriction of 886 company directors. This means that they are prevented from being appointed or acting in any way as a director or secretary or being involved in the formation or promotion of any company unless it is adequately capitalised which, in the case of a public limited company other than an investment company, means a capital requirement of €500,000 in allotted paid up share capital, and in the case of any other company, the capital requirement is €100,000. ODCE investigations in the same period also resulted in the disqualification of 65 directors by the High Court. There have also been 971 instances of securing compliance with the Companies Act through the exercise of the director's civil powers.

With regard to the Deputy's question, I would like to publish the report. It would be my intention to publish it, subject to ongoing clarification of the legal advice. There are quite a number of parties involved in this, as the Deputy is aware, and a range of legal work needs to be done before I can get to that point. The publication of the report will always be subject to the final advice of the Attorney General.

Additional information not given on the floor of the House

Since the establishment of the ODCE, there has been a sharp increase in the restriction and disqualification of directors. In 2004, only ten directors had been disqualified whereas by the end of 2016 that figure stood at 3,955.

The ODCE has also been successful in recent prosecutions. In 2014, two people were convicted for the giving of unlawful financial assistance by Anglo for the purchase of its own shares. In 2016, a person was convicted for fraudulent trading on foot of a plea of guilty. In 2016, a person was convicted for failing to maintain a licensed bank's register of loans to directors on foot of a plea of guilty. In late April of this year, a person was arrested and charged with fraudulent trading based on an invoice discounting fraud and entered a plea of guilty. It is important that any actions we take are done with full knowledge and in line with fair procedures, due process and natural justice. It is my intention to publish the report subject to the advice of the Attorney General.

Deputy Maurice Quinlivan: I thank the Minister for her response. I appreciate the sensitivities that could be contained in the report but why has the work not yet been completed by the Office of the Attorney General? It seems that an incredibly long time has been taken. Will the Minister indicate how many months on average she would be waiting for advice from the Attorney General on a report?

When is the Minister expecting the report to be published? She might say that it is soon but perhaps the Minister could put a date on it. I am quite disappointed with the response I have received from her today. I understand that the number of staff in the Office of the Director of Corporate Enforcement has declined from 53 in 2010 to 40 in 2016. These numbers were pro-

vided to me by the previous Minister. Apart from that unacceptable 26% reduction in staffing levels, it is quite bizarre to think that just 40 people were assigned to investigate and prosecute white collar crime in Ireland in 2016. This shows how seriously the Government takes this issue and its lack of concern. From reading the report, can the Minister tell the House if lack of resources, staff or funding was highlighted as possible reasons behind the shambolic investigation conducted by the ODCE that led to the collapse of the subsequent Seán FitzPatrick trial?

Deputy Frances Fitzgerald: This trial and the various issues it has thrown up is a complex situation. Some of the issues have been examined in the report. It was a very complex trial, as the Deputy is aware, in terms of the issues that were dealt with and it was one of the longest in the history of the State. I would certainly like to publish the report but when I publish any report I have to be conscious - the time varies as to when reports are received in Government Departments - that it is not a question of one piece of legal advice and it is over. It is a question of teasing out the relevant legislation, what the legislation has to say about publication, and whether or not there are rights relating to publication and are there limitations on that right. We have to also examine the impact on other parties who are affected by the report. Where that is the situation, it is normal procedure to make the other parties aware of the impending publication and so on. There will be no delay in publication but a range of issues have to be dealt with. As soon as they are clarified, and if it is feasible to publish the report, I want to be in a position to publish it and bring it before the Oireachtas for discussion. I am sure the committee will want to examine it also.

Deputy Maurice Quinlivan: Once again, I thank the Minister for her response but the delay from the Office of the Attorney General is very disappointing.

Will the Minister outline the additional funding and staff that will be made available to the Office of the Director of Corporate Enforcement and other offices that fall under the regulation section of her Department? In the expenditure report yesterday, on page 52, funding is mentioned but it is not broken down into how much is going to each of the offices, such as the Health and Safety Authority, the Irish Auditing and Accounting Supervisory Authority or the Office of the Director of Corporate Enforcement. Perhaps the Minister could give a breakdown of what each office will receive in additional funding.

Deputy Frances Fitzgerald: The ODCE budget in 2017 is €4.895 million. This comprises pay of €2.834 million and non-pay of €2.057 million. The spend up to 31 August 2017 is €1.844 million. We are supporting the ODCE. The Deputy referred to staff and recruitment. The people the ODCE wishes to recruit, such as forensic accountants, have been recruited. There was an issue around making sure that it could recruit those staff. It was not a funding issue; it was a question of recruitment. I reassure the Deputy that we are supporting the ODCE in the needs of the office and recruitment. Obviously, some of those issues will probably be dealt with in the report that we have received.

Motor Insurance

3. **Deputy Niall Collins** asked the Tánaiste and Minister for Business, Enterprise and Innovation the position regarding introducing legislation to enhance the powers of PIAB in view of the recommendation in the cost of motor insurance report; and if she will make a statement on the matter. [43202/17]

Deputy Niall Collins: As the lead Government Minister with responsibility in this area, I ask her for an update on the introduction of legislation to enhance the powers of the Personal Injuries Assessment Board, PIAB, given the recommendation in the cost of motor insurance report. Perhaps the Minister will tell the House what progress has been made on this.

Deputy Frances Fitzgerald: On 27 June 2017 the Government gave its approval to the drafting of the personal injuries board amendment Bill 2017 along the lines of the general scheme. The purpose of the personal injuries board amendment Bill 2017 is to amend the existing legislation, to strengthen PIAB in terms of operational issues, to ensure greater compliance with the PIAB process and to encourage more claims to be settled through the PIAB model.

The heads of Bill have been sent to the Office of the Parliamentary Counsel for drafting. This is technical and complex legislation and it will require careful consideration during drafting in conjunction with the Office of the Attorney General. It is hoped to have the drafting of the Bill completed in the first quarter of 2018 and published thereafter. There is ongoing work on the Bill, in recognising the importance of it. We hope to have it in the first quarter of 2018.

The 2016 PIAB annual overview highlights the major benefits of the organisation, including its providing a low cost, quick and fair option in injury compensation. According to the overview, just over 34,000 new personal injury claims were submitted to PIAB with processing costs in 2016 at 6.4% of awards, a fraction of the costs that would have accrued had the claims it handled required litigation. It is a very important organisation, which is cost efficient and does its work in a timely way. The new legislation will further facilitate that.

In June 2014, a public consultation was held on the operation and implementation of the Personal Injuries Assessment Board with 29 submissions being received from a range of stakeholders. The outcome of the public consultation process has informed the general scheme of the personal injuries assessment board (amendment) Bill 2017. The submissions are available to view on the Department's website.

Deputy Niall Collins: There is no doubt but that we all agree that PIAB needs to be reformed and that its legislation needs to be updated. There are approximately 30,000 personal injury claims per annum of which only 12,000 go through PIAB. That indicates that there is huge room for improvement and to improve the throughput of work PIAB can perform. One of the underlying problems with the rising cost of insurance has been that many claims are settled outside PIAB and the courts, which has led to a lack of transparency and visibility. The costs associated with claims are borne ultimately by all of us as insurance premium payers. Costs of claims processed through PIAB are in the order of 6% whereas they can be in the order of 50% of a claim if they go through the courts.

Will the issues of unsustainable and fraudulent claims be addressed in the legislation? Will the Bill, which I am sure the Minister has had sight of, cover that area sufficiently? Can the Minister update us on the work being undertaken by the Competition and Consumer Protection Commission in its investigation into the insurance sector as mentioned in the media?

An Leas-Cheann Comhairle: I ask Deputies and the Minister to keep an eye on the clock. I hate to have to intervene all the time. The Tánaiste has one minute.

Deputy Frances Fitzgerald: The PIAB was established to remove unnecessary personal injuries cases from litigation. Estimates indicate that 70% of cases are now either resolved through the PIAB or settled directly between the parties. In accordance with the Acts, all per-

sonal injuries claims must be submitted to the PIAB. In some situations, however, the parties are happy to settle a claim at an early stage and without the need to refer it to the board. The PIAB assesses independently claims for compensation arising from personal injuries sustained as a result of motor or workplace accidents or in circumstances of public liability. An independent assessment is made and it is a matter for the parties as to whether they wish to accept the award. The PIAB does not address liability. Where liability is an issue, a respondent can refuse to consent to a PIAB assessment. Where the respondent refuses consent to an assessment or where either party rejects the award proposed, the board will issue an authorisation to the claimant to allow him or her to take legal proceedings.

There are two bodies working on issues relating to insurance at present. There is a commission to examine the issue of fraud chaired by Mr. Justice Nicholas Kearns. All relevant legal stakeholders are represented. The commission had its first meeting in February and has had eight meetings to date.

An Leas-Cheann Comhairle: We have to move on.

Question No. 4 replied to with Written Answers.

Regional Development

5. **Deputy Seamus Healy** asked the Tánaiste and Minister for Business, Enterprise and Innovation her plans to seek a change in enterprise policy in order that the south-east region can attract a more proportionate share of foreign direct investment and high potential start-ups in view of the fact the region has historically lagged behind; if the region will receive its fair share of the ten-year national investment plan; and if she will make a statement on the matter. [43252/17]

Deputy Seamus Healy: In view of the fact that the south-east region has historically lagged behind in both economic and regional development, will the Minister ensure there is a change in enterprise policy in order that the region attracts a more proportionate share of foreign direct investment and high-potential start-ups? Will she ensure the region gets its fair share of the national investment plan coming soon?

Deputy Frances Fitzgerald: My Department published Enterprise 2025 in 2015. It sets out the strategic framework for coherence across Departments to focus our resources to foster a better future and to deliver sustainable enterprise growth and jobs. As a small open economy, we rely on external demand and international markets for growth. Since its publication, there has been continued global economic uncertainty, including, for example, Brexit. That is why my Department is currently undertaking a review of Enterprise 2025. That is our vision. We are examining any adaptation that is required to deal with current economic uncertainty, the challenge of Brexit and changes in policy in other countries.

We continue to maintain our focus on the regions, in particular through the regional action plan for jobs process. Through these regional plans and processes, we have a focus on balanced regional development. Later in the year, the Government will publish the national planning framework and the national capital investment plan, which will focus strongly on balanced development. Inclusive of growth in our urban areas, these measures will also focus very much on balanced regional development.

The south-east action plan for jobs is the key policy response for supporting employment growth in the south-east region with public and private stakeholders actively engaged together to make progress on jobs. The core objective of the plan is to see a further 25,000 at work in the region by 2020 and to reduce the unemployment rate to within 1% of the State average. The first two progress reports on the implementation of the Action Plan for Jobs show that progress is being made. I have had the opportunity to meet with the members of the action group. I note that 13,000 jobs were created in the south east since the regional action plans for jobs initiative was launched and implemented in January 2015. The unemployment rate in the south east has fallen from 12.8% in 2015 to 8.1% by the second quarter of 2017. However, there is still work to be done.

Deputy Seamus Healy: Those responsible for the south-east area action plan for jobs briefed Oireachtas Members from the south east last Thursday. They brought with them a number of industry champions from the area who are involved in driving the region forward. Significantly, the group included the five CEOs of the local authorities in the region. The group is very concerned that the area has lagged behind historically and that unemployment levels in the region are the second highest nationally, while the region is second lowest in foreign direct investment. It is 4% in the region and 6% nationally with approximately 7% of these jobs as against a population of 11%. High potential start-ups are similarly 4.5% as against a population of 11% in the region. There is also, of course, a huge brain drain from the region with 67% of students leaving the region to study. Unfortunately, 40% of them fail to return. We ask for a genuine focus on the region and for real balanced regional development. There must at least be no further incentivisation of growth in the Dublin area. We further call for preferential treatment for the regions, in particular the south east.

Deputy Frances Fitzgerald: I have given the Deputy the figures on the improvements in job creation, including the reduction in the unemployment rate. It is good progress. However, I accept that more needs to be done and that the unemployment rate is higher than the overall national rate. It was more than 1% higher in the second quarter of 2017 than the national average of 6.4%. The building blocks are in place, however, between the work of the regional action plan, the industries that are there already and the IDA's property programme, which is supporting development in the area. The development of the technological university will make a difference in respect of the issue of young people leaving the area, which was mentioned by the Deputy. We want to focus on making sure that young people who are educated locally can get jobs in their own area. I refer to the Bausch and Lomb development in Waterford recently and other initiatives. The first tranche of the regional enterprise fund is €35 million and applications are being examined currently. Regional development is one of the key criteria that must be used.

Deputy Seamus Healy: I refer to two projects that are vital to the future economic development of the region, one of which the Minister mentioned. Will she support and push forward proposals for a technological university in the south east? It has been in the mix for the past number of years but there seems to be a hold up. It is vitally important. The second is the upgrade of the N24 motorway for the south-east region. It would be a huge driver of economic and social activity in the region and it needs to be included in the capital investment programme that will be announced in the near future by the Minister for Public Expenditure and Reform.

Deputy Frances Fitzgerald: The establishment of the proposed technological university for the south east clearly will be important in supporting advanced education and the skills enterprise and industry need. A great deal of good work has been undertaken by the two institutes

of technology and we are keen to move ahead with the planned amendments to the Technological Universities Bill 2015. They have given a momentum to the south east technological university project.

I take the Deputy's point that there needs to be a continued focus on regional development and we will publish two important national programmes towards the end of the year - the national planning framework and the national capital investment programme. It is important to align the two of those in order that the point the Deputy made about transport is addressed whereby there is alignment regarding the road infrastructure in the context of regional development as well. The reason we want to publish the two programmes together is to ensure co-ordination between the planning framework and capital investment. The two have to go hand in hand as is exemplified by this case.

Other Questions

Small and Medium Enterprises Data

6. **Deputy Thomas P. Broughan** asked the Tánaiste and Minister for Business, Enterprise and Innovation the number of microfinance and loan guarantees under her Department's indigenous enterprise development division which were granted in 2015, 2016, and to date in 2017; the value of the finance and loans in each of these years; the areas and sectors receiving this support; and if she will make a statement on the matter. [42767/17]

9. **Deputy Éamon Ó Cuív** asked the Tánaiste and Minister for Business, Enterprise and Innovation the amount drawn down under the microfinance scheme for businesses since its inception; the number of businesses assisted; the number of jobs created to date by this scheme; and if she will make a statement on the matter. [42761/17]

Deputy Thomas P. Broughan: When the Minister and the Minister of State are rambling around the country, they always say that access to working capital is the key issue for SMEs. How are Microfinance Ireland and credit schemes for indigenous companies performing, in particular the credit guarantee scheme, CGS, 2017? The counter guarantee scheme still awaits the publication of a statutory instrument.

The Government announced a new €300 million Brexit fund. How will that operate in particular to support SMEs?

Minister of State at the Department of Business, Enterprise and Innovation (Deputy Pat Breen): I thank the Deputy for his questions. I propose to take Questions Nos. 6 and 9 together.

The Board of Microfinance Ireland, MFI, provides me with quarterly reports of progress and these reports are published on the websites of both Microfinance Ireland and my Department.

The latest available figures, up to end of quarter 2, 2017, show that there have been 2,966 applications received with €19.6 million worth of loans approved and 1,172 drawdowns of loans worth €16.6 million in total. The fund has supported 3,145 jobs. Support activity is

widely distributed both by geography and sector. Activity by county and industry is published in the quarterly reports. I will send a copy of the quarter 2, 2017 report to both Deputies for their information.

A total of 22% of all loan approvals has gone to Dublin; 16% to the south east; 13% to the Border region; 11% to the west; 11% to the mid-east; 10% to the south west; 8% to the mid-west and 9% to the midlands.

The most popular sectors supported are wholesale-retail trade, repair of motor vehicles and motor cycles at 22%, manufacturing at 12% and construction at 8%.

There were 357 loans approved in 2015 totalling €5.4 million, 397 loans approved in 2016 totalling €5.4 million and 178 loans were approved up until the end of June this year totalling €2.5 million.

During 2015, in line with the Microenterprise Loan Fund Act 2012, the performance of MFI was reviewed in detail by my officials, and the implementation of changes led to better performance, flexibility and advertising of its products. A key change was the removal of a previous requirement for a microenterprise to have been refused a bank loan before recourse to this channel.

Microfinance Ireland is guided by its new strategy, The Way Forward 2017-2021. At the centre of the new strategy is the strategic vision which provides for the need for MFI to create a value proposition by being the best in class micro-lender, creating and supporting jobs and fulfilling the borrowing requirements of microenterprises across Ireland. The strategic vision also aims to exceed the strategic objective of the fund of supporting the creation of 7,700 jobs in Ireland.

This new strategy is bearing fruit as the organisation was recently awarded a certification of compliance with the European code of good conduct for micro credit provision. This certification confirms MFI's position as a best in class micro credit provider in Europe, being one of the first institutions in Europe to qualify and the only organisation in Ireland to receive this award.

With regards to loan guarantees, 108 facilities were sanctioned under the CGS in 2015 totalling €20.4 million, 131 facilities sanctioned in 2016 totalling €22.8 million and in 2017, up until the end of June of this year, 70 facilities have been sanctioned totalling €9.2 million.

The percentage of sanctioned lending breaks down as 55% to the east, 10.6% to the mid-west, 10.2% to the south west, 8% to the south east, 6.6% to the midlands, 5% to the west, 2.6% to the north east and 2% to the north west.

The most popular sectors in receipt of support include information and communications technology at 20.8%, wholesale-retail trade and repairs at 16.8%, manufacturing at 13.9% and human health and social work at 9%. I will provide the Deputies with charts showing the full breakdown of the regions and sectors supported by Microfinance Ireland and by the CGS.

Deputy Thomas P. Broughan: I thank the Minister of State for his comprehensive reply. He indicated that Microfinance Ireland processed 3,000 applications to the value of €19 million in loans. The average loan was €15,000. The approval rate, however, over the five years is less than 46% and that includes some applicants who were turned down originally and later approved. There is, therefore, a large gap for small businesses and young entrepreneurs that are

struggling to get going. According to the regional breakdown, the west and north west have received a relatively small level of support. I acknowledge the Department is adopting a regional approach. In particular, is special support provided for women entrepreneurs given two thirds of the successful applicants were men?

Was there much uptake of the credit survey by the Credit Review Office? What feedback is the Minister of State getting? As he said when he visited our small business centre in Coolock, access to working capital is critical. The Minister has also made similar comments.

Deputy Pat Breen: I thank the Deputy for his questions. The microenterprise loan fund was set up in 2012 in difficult circumstances when many SMEs and microenterprises were unable to secure loans from the traditional banks. A review was conducted in 2015. According to the breakdown, 24% of the loans go to women and the figure is the same for Microfinance Ireland. I have given the Deputy a breakdown of the statistics on where the loans are going. Some 78% of the loans are going outside Dublin. It is important that we are creating more jobs outside Dublin as well. It has a role to play, although in recent times since the review there has been a slowdown on that. Officials in the Department are meeting with MFI and the local enterprise office to see how we can fill the gap the Deputy has spoken about because that gap exists. Hopefully, they will come up with a resolution to ensure the viability of microfinance into the future. When Microfinance Ireland was established there was a different climate. Commercial banks are obviously lending a little more now as well. Incidentally, today is National Women's Enterprise Day and there are many events around the country. It is an appropriate time to expand.

Deputy Thomas P. Broughan: The Brexit loan scheme amounts to €300 million. Obviously these small businesses are critical as we go through the next couple of years, regardless of what happens. Perhaps the Brexit situation might not happen but if it does this is a core area of the economy that we must strongly support. I note that the bulk of the funding is coming through the Strategic Banking Corporation of Ireland, but the Minister mentioned, and it is referred to in the Estimates, that there would be resources there for SMEs, that is, companies that have fewer than 500 employees. The Department is providing €23 million of the initial seed fund and the Department of Agriculture, Food and the Marine is providing €9 million. What targets does the Minister have to shore up what is perhaps the most important area of our indigenous economic performance?

Deputy Pat Breen: First, it was very good news for our Department that we got this Brexit loan scheme in the budget. We are looking at the counter guarantee scheme that the Deputy mentioned as well. It is expected that another statutory instrument will be made providing for the Minister to share the risk with SBCI in such a way that the SBCI can in turn access and draw down EU funding for Irish SMEs. With regard to the €300 million fund, 40% of that will be guaranteed by the European Investment Bank, so it will cut down our guarantee. We are guaranteeing 80%. We are providing €14 million and the Department of Agriculture, Food and the Marine is providing the other €9 million. The details will be worked out. The Tánaiste gave some details on the Brexit loan scheme earlier. I have a limited amount of time now so I will forward that information to the Deputy. It will be useful for him to have it. It is an important incentive for small and medium enterprises that are facing the challenges of Brexit. Having that cushion is important. The fact that the funding will be co-guaranteed by Europe and Ireland is also important. It is a €300 million fund and, as the Tánaiste said, it is the first of a number of other schemes we will be considering to ensure that the SME sector will grow. It is a very important part of the Irish economy comprising 97% of enterprises in the country.

Dáil Éireann
Brexit Issues

7. **Deputy Brendan Smith** asked the Tánaiste and Minister for Business, Enterprise and Innovation the plans her Department and the State's industrial promotion agencies have to assist in job creation in 2017 and 2018; their further plans to maintain existing employment in County Cavan; and if she will make a statement on the matter. [43133/17]

20. **Deputy Brendan Smith** asked the Tánaiste and Minister for Business, Enterprise and Innovation the plans her Department and the State's industrial promotion agencies have to assist in job creation in 2017 and 2018 and in the maintenance of existing employment throughout County Monaghan; and if she will make a statement on the matter. [43134/17]

Deputy Brendan Smith: I have raised previously with the Tánaiste the concerns in areas such as Cavan and Monaghan about the adverse impact of Brexit. Employment in our area is dependent on indigenous enterprise. The agrifood, construction and engineering sectors are the main sources of employment and they are heavily dependent on the Northern Ireland and British market. Already the weakness of sterling has had negative impacts on those companies so there must be specific programmes of assistance to help the companies to try to maintain existing levels of employment and, where possible, to grow. Sector-specific programmes are required to deal with the adverse impacts of Brexit and those programmes must be put in place at the earliest opportunity.

(Deputy Frances Fitzgerald): I propose to take Questions Nos. 7 and 20 together.

I recognise the particular challenges that Brexit can pose for some of the sectors the Deputy mentioned. One of our core ways of dealing with the challenges in different areas is the action plans for jobs. The north east-north west regional action plan is a key response to try to deal with the challenges and to support employment growth in the region. Its aim is to support job creation across the region, including in counties Cavan and Monaghan, by ensuring there is collaboration between the public and private sectors and that Enterprise Ireland, the IDA and so forth are supporting that work.

The core objective of the action plan is to have a further 28,000 at work in the region by 2020 and to ensure the unemployment rate is within 1% of the State average. The sectors being targeted include the traditionally strong sectors in the area such as agrifood, manufacturing, engineering and tourism. The second progress report is being finalised and is about to be published. Over 96% of the actions due to be completed under the plan have been done and 6,000 jobs were created in the Border area since the regional action plan for jobs initiative was launched in January 2015. The unemployment rate in the region has fallen from 10.2% to 6.6%.

Clearly, we must continue this work but it is important to note that at this point in time live register numbers have fallen in County Cavan by 16.5% and in County Monaghan by 14% in the past 12 months. That is good progress but we cannot be complacent given the challenges that may be ahead, particularly for the sectors that are reliant on the UK market. Any changes in sterling would particularly affect them. This is a key focus for Enterprise Ireland in working with clients and the sectors the Deputy mentioned. The main message is to prepare for Brexit by business and by sector to ensure that firms can diversify and be supported in doing that. EI has a plan in place to focus more on the eurozone and that means supporting the firms mentioned by the Deputy to diversify to the eurozone. However, that will not be done overnight which is why a transitional phase in Brexit is very important. That is why the supports that are

available for firms must be used at this point. This is what we probably should be doing anyway irrespective of Brexit, but there is a great deal of support available.

There is also the regional enterprise development fund. There was an announcement in the budget that the second tranche of that, €25 million, will be available. People can apply to that fund from January and decisions are currently being made in respect of the first tranche. Regional development was one of the criteria that had to be taken into account so all parts of the country will benefit from the fund.

In terms of firms that could be vulnerable in the context of Brexit and which need working capital, that is, firms that would be viable if they had access to capital in the short term, the Brexit loan scheme we have announced will be available to those firms in the Cavan, Monaghan and Border region as well.

Deputy Brendan Smith: We have had difficulty over the years in attracting foreign direct investment to the Border region. One of the key ingredients in ensuring we were not successful was the fact of the Troubles on our doorstep for many decades. Thankfully, since the signing of the Good Friday Agreement in 1998 there has been a huge growth in trade between the North and South and a huge growth in companies expanding both North and South. The sectors about which I am concerned in particular are the agrifood, engineering and construction products sectors. Many of them, thankfully, have developed on an all-Ireland basis. They might have started in Cavan and Monaghan but they expanded and grew north of the Border. Similarly, some companies that were established in the Six Counties have expanded their sites and processing facilities south of the Border. In the context of dealing with the challenges of Brexit it is most regrettable that there is no Northern Ireland Executive and Assembly. There is a huge and urgent need to have the authorities in this State and in the North working together with regard to whatever programmes of assistance are put in place. We have to ensure co-operation and that such assistance is made available to companies that have a presence on both sides of the Border, even if it is for work or activities they carry out north of the Border. A border cannot be introduced for truly all-Ireland companies. If the Department or one of the industrial promotion agencies has a programme of assistance available, I urge the Tánaiste to make it available to companies that are situated north of the Border but have a presence on this side of the Border.

Deputy Frances Fitzgerald: The Deputy makes a strong case on the importance of cross-Border trade and companies which operate North and South. Ensuring this trade continues is an absolute priority. I agree with Deputy on the importance of having an executive in place in order that the needs of the North, including the points made by the Deputy, can be articulated at an international level. Brexit is the most significant challenge to face businesses, North and South, for decades.

I take the Deputy's point on the importance of providing specific supports for companies that trade North and South. The most important issue is that they are allowed and able to continue to trade without a border. Ensuring normal trade can continue is a priority for us in the negotiations on Brexit. I hope sufficient progress will be made in the next few weeks to allow the negotiations on Brexit to move on to the very important trade and business issues that are preoccupying companies. The great uncertainty surrounding Brexit makes it difficult for businesses to know what they should do at this point. However, the message remains that they must innovate, diversify, examine the specific impact Brexit will have on their business, make preparation plans and engage with the agencies whose role is to help them.

Deputy Brendan Smith: State agencies will be contacted by some companies and enterprises that have never approached them before. I know of small companies that will approach their local enterprise offices. We are fortunate to have two excellent local enterprise offices in Cavan-Monaghan. I hope the Tánaiste is in a position to provide additional funding for the work of these offices in 2018 because the work of and support for local enterprises will be critical.

Financial services has been identified as a sector where companies may choose to relocate to Ireland as a result of Brexit. If companies choose to relocate, will a particular effort be made to try to bring some of this investment to the Border region, which has already been adversely impacted and will be further negatively affected by Brexit? There has been a history of some financial services companies operating in the Border region. County Cavan, from where I come, has had a strong insurance industry over the years and the region has a pool of talent with the relevant skills. If companies relocate to Ireland as a result of Brexit, I sincerely hope the Department and all the industrial agencies will try to persuade them to locate in areas that have been hit hardest by Brexit and face the most difficulties post 2019.

Deputy Frances Fitzgerald: I assure the Deputy that attracting foreign direct investment to the regions is very much a priority in the work IDA Ireland is doing, which includes having suitable properties available. IDA Ireland is progressing a property plan for next year that takes in many parts of the country. This issue is also a priority in my discussions with companies. I and all the representatives discuss opportunities in regional areas and the advantages available in different parts of the country, including the Border region and counties Cavan and Monaghan. Ensuring balanced regional development is a priority and goal the Government will support in the national planning framework and capital investment programme. Companies' decision making is impacted by many criteria, including the skills available, employment, access and so forth. We will continue to focus on ensuring IDA Ireland will make sure, where possible, that companies locate in the regions. This issue forms part of all of the agency's discussions with firms.

Small and Medium Enterprises Supports

8. **Deputy James Lawless** asked the Tánaiste and Minister for Business, Enterprise and Innovation her views on the introduction of a scheme to incentivise small businesses to innovate without risking scarce capital reserves (details supplied); and if she will make a statement on the matter. [43135/17]

Deputy James Lawless: Before I introduce Question No. 8, I refer to Question No. 25, tabled prior to the budget, which refers to Ireland joining the European Southern Observatory. I acknowledge that Ireland has commenced the process of joining the body. This is a welcome and positive step for Ireland's astronomy community and presents many commercial opportunities. I thank the Tánaiste and her Department for their role in this matter.

Question No. 8 refers to the possibility of introducing an innovation scheme that would provide Government support to allow small businesses, with their limited reserves and cashflow but unlimited energy and enthusiasm, to innovate.

Deputy Frances Fitzgerald: I thank Deputy Lawless for his remarks on Ireland's decision to become a member of the European Southern Observatory.

In December 2015, the Department published Innovation 2020, Ireland's five-year strategy on research and development, science and technology, which sets out the roadmap for continuing progress towards the goal of making Ireland a global innovation leader. Funding has been provided to Science Foundation Ireland for additional research centres, including the research centre announced in the budget.

The Deputy is correct that there is a need to drive up the innovation capability of Irish companies in order that they can compete internationally. I would go so far as to say that if they do not innovate and diversify, Irish companies will find it difficult to compete in the current trading environment. Advance manufacturing centres have an important role in allowing manufacturing companies to adapt to new technologies, which are dramatically changing the face of manufacturing.

While the benefits of innovation to firms in terms of increasing new products and services are well understood, innovation can involve upfront expenditure. As the Deputy pointed out, this can impact on cashflow for firms. The research and development tax credit specifically recognises this issue and has been improved to help address this cashflow issue for companies.

Enterprise Ireland operates a range of supports to help companies mitigate the issues associated with undertaking innovation by providing funding and support to undertake these activities in-house, where appropriate, or helping them to engage with third level researchers.

Enterprise Ireland's innovation supports help companies of all scales and capability levels. Even the smallest firm can avail of an innovation voucher, with 418 such projects completed to date under this scheme. They can also engage with academic research groups which are aligning more closely with industry and business. Enabling small companies to make links with the various research centres is a positive development. We are seeing very positive engagement in the manufacturing centres.

Deputy James Lawless: The Tánaiste referred to Innovation 2020. I am very concerned about progress on this strategy, although I acknowledge that it is a national strategy and my question is directed at a lower level. We learned during the week that Ireland spends approximately 1.45% of GDP on research and development whereas the figure is supposed to be 2.5%. I am very concerned about this. I reviewed Innovation 2020 last night and we are very far from meeting the objectives set out in the strategy.

The Tánaiste also referred to Science Foundation Ireland's research centres and the funding provided in the budget for a new research centre. While these centres do great work, they are not applicable to small business, which is the focus of my question.

I met representatives of the Small Firms Association and ISME recently. As a former chairman of a small business association, I know that small firms find it difficult to access supports, particularly high-level supports such as Science Foundation Ireland's research centres and fiscal measures such as the research and development tax credit and knowledge box tax credit, to which I had amendments made earlier in the year. We must try to assist small businesses to avail of these schemes. Small business groups inform me that while such initiatives are fantastic and make sense, large companies with significant reserves can take the risk of receiving a tax credit or having a tax audit done later in the year, which may involve a clawback. However, a small firm struggling daily with cashflow will find it much more difficult to do this because it cannot risk this type of capital expenditure upfront in uncertain circumstances.

Deputy Frances Fitzgerald: I take the Deputy's point about companies taking the risk of putting time and money into innovation. We have an important role to play in supporting companies in that regard. Many companies tell me they get so caught up in their challenging day-to-day work that it is difficult to take any time out to innovate. Sometimes, companies do not use the available range of supports. We need to publicise further the research and development fund as well as the innovative high-potential startup fund, which has received a large allocation from Enterprise Ireland.

11 o'clock

While I take the Deputy's point that the big research centres are more connected to large-scale business, there is potential for collaboration. Enterprise Ireland will connect companies with particular researchers and institutes in order to develop their products, and its commercialisation fund provides supports for academic researchers to pursue research outputs with commercial potential. There are a number of schemes.

Cashflow can be an issue for firms undertaking research and development. In this context, the research and development tax credit has been amended to meet the needs of SMEs.

Deputy James Lawless: Indeed, those supports and schemes are useful. I will propose two potential practical solutions if the Tánaiste is minded to adopt or consider them, the first of which addresses difficulties experienced by small firms. Some of these can be startup enterprises of one to ten people, so we are not discussing established companies with capital and reserves. Under the JobsPlus scheme, a person is hired from the live register and the employing company receives a cash credit for every month that he or she remains in employment. Would the Department consider an "R&DPlus" scheme? Along similar lines as JobsPlus, where demonstrable innovation takes place, an actual cash credit or financial advance would be made to the company to support that work. It is a real measure and companies would not have to wait until the end of the year or face the uncertainty of it being clawed back. Rather, they could avail of it in the same way that employers do under JobsPlus.

My second proposal is the idea of a mentoring scheme in which lean processing, such as Lean Six Sigma, and other advanced business practices can be brought to bear on smaller companies that may not be aware or availing of them. This could be done simply and cheaply. It would involve pairing up retired industrialists with SMEs in their sectors through local enterprise offices, LEOs, and education and training boards, ETBs. This could solve the problem without requiring significant capital investment.

Deputy Frances Fitzgerald: The Deputy might write to me about those two initiatives. I would be happy to raise them with Enterprise Ireland and consider them within my Department to determine whether we can progress them.

I would encourage small businesses to use another somewhat underused scheme, namely, the innovation voucher. The budget has allocated €4 million for it. It promotes a transfer of knowledge between Ireland's public knowledge providers and small business companies. Vouchers worth €5,000 each are provided to enable small businesses to seek assistance, be it in terms of skill or knowledge, from publicly funded researchers to address problems or proposals in respect of their business activities. This could be an important initiative for the small businesses of up to ten employees that the Deputy mentioned. It is meant to get them started. They may have ideas about how to innovate or diversify their businesses but do not know where to start. The innovation voucher is useful, but somewhat underused. It is important, in that it helps smaller companies to deal with the cashflow issues the Deputy mentioned. The amount

is small, but it might have a good impact if used.

An Leas-Cheann Comhairle: To explain to Deputy Ó Cuív, Question No. 9 was taken with Question No. 6, which was the Minister of State's prerogative. However, I understand that the notification of the questions being grouped went out yesterday at 4.40 p.m. Obviously, Deputy Ó Cuív did not get that notification.

Deputy Éamon Ó Cuív: May I explain exactly what happened? Yesterday evening, we got a list of the questions that were being grouped. On yesterday's Order Paper, my question was not No. 9, but No. 4. I read the list, which referred to Nos. 6 and 9, and thought that I was fine because I was No. 4.

When Deputies are given the groupings, do they refer to the numbering on the Order Paper at the time the listing was received or do they refer to the Order Paper that will be issued at midnight for the following day? That is where the confusion arose. I was careful to check.

An Leas-Cheann Comhairle: Obviously, the grouping was for today's Order Paper, on which the Deputy's question is No. 9, but he would not have been aware of that. We will have this matter clarified to ensure that, in future, Members will know in advance if they are being-----

Deputy Pat Breen: On a point of order-----

An Leas-Cheann Comhairle: What is the point of order?

Deputy Pat Breen: It could not have been No. 4 because No. 4 would have been a Priority Question.

Deputy Éamon Ó Cuív: It was No. 4 on yesterday's paper because there were no Priority Questions on that list.

Deputy Pat Breen: I do not know.

An Leas-Cheann Comhairle: If it was No. 4 yesterday, then it was No. 4 and we should not doubt that. This is not a matter for the Minister of State. It is a matter for the-----

Deputy Pat Breen: I would have no problem answering the question again.

Deputy Éamon Ó Cuív: No, we are running out of time.

An Leas-Cheann Comhairle: It has been taken already and the Minister of State got four minutes to speak on it at the time because it was grouped.

Deputy Frances Fitzgerald: The Deputy wants it to be answered.

Deputy Pat Breen: If the Deputy wants it, I will do it.

An Leas-Cheann Comhairle: No. It has been taken. The Minister of State had four minutes at the time, so we will have to-----

Deputy Pat Breen: It is not a question of me getting four minutes. It is the Deputy's Priority Question he wants-----

An Leas-Cheann Comhairle: Hold on. We have to move on to Question No. 10 in the

name of Deputy Niall Collins. At least when there is clarification, this situation can be resolved in future.

Deputy Frances Fitzgerald: Yes.

Deputy Pat Breen: I will ensure that Deputy Ó Cuív gets the additional information that I said I would forward to Deputy Broughan.

Deputy Éamon Ó Cuív: It does not answer the question that I was going to ask, which related to a much more fundamental point.

An Leas-Cheann Comhairle: The Members can have a one-to-one later.

Deputy Pat Breen: If the Deputy wants a one-to-one, I would have no problem answering his question for him, if that is okay.

An Leas-Cheann Comhairle: I thank the Minister of State.

Question No. 9 answered with Question No. 6.

Departmental Functions

10. **Deputy Niall Collins** asked the Tánaiste and Minister for Business, Enterprise and Innovation the Department that has the lead remit for the Workplace Relations Commission, WRC; and her views on the fact that employment policy and enforcement are now divided between two departments. [43165/17]

Deputy Frances Fitzgerald: In moving the employment rights and minimum wage agenda to the Department of Employment Affairs and Social Protection, we are effectively aligning employee-based rights with the welfare to work agenda and focusing on ensuring that our policies encourage people into the workforce with fair terms and conditions. That Department has responsibility for Intreo, the national contact point for employment and income supports that also acts as a pathway to employment for many jobseekers.

My Department retains key functions and policies central to employment, including economic migration, industrial relations, health and safety in the workplace and the range of Government services available to workers and employers, such as those offered by the WRC and Labour Court.

There is no conflict in the fact that a function of my Department, through the WRC, is to enforce employment legislation when policy responsibility for employment rights resides with another Department. As the Deputy knows, the WRC is an independent statutory body that acts in a stand-alone manner in respect of workplace relations issues.

I am satisfied the separation of the function of policy responsibility for employment law from the function of enforcing that law will not impact in any way on the ability of employees to enjoy the full protection afforded by employment law. We will work closely with the Department of Employment Affairs and Social Protection to ensure that policy and enforcement functions operate in a manner that meets all of the expectations of employers and employees.

Following changes in departmental functions, certain responsibilities formerly within the

remit of my Department have transferred to the Department of Employment Affairs and Social Protection. A schedule sets out the functions that have transferred to the Minister for Employment Affairs and Social Protection.

Deputy Niall Collins: I will try to sum up this situation. The Department of Employment Affairs and Social Protection has responsibility for regulating some of our employment legislation, for example, employment rights regulations, the Low Pay Commission and the minimum wage. The Tánaiste's Department of Business, Enterprise and Innovation has lead responsibility for employment legislation, workplace health and safety, equality, the WRC, the Labour Court and the Employment Appeals Tribunal. As such, two Departments are now crossing over labour policy, labour law and labour affairs. It makes the situation a little bit more complex when there are two Government Departments dealing with the area. I have been asked to ask the Minister if any practitioners, groups or representatives in the area of employment, trade unions or workers' rights were consulted on the decision to split the area of labour affairs between two Departments.

Deputy Frances Fitzgerald: The areas that transferred from my Department to the Department of Employment Affairs and Social Protection included the Low Pay Commission and the national minimum wage as well as lead responsibilities for EU policies around employment, social policy and engagement with the European Foundation for the Improvement of Living and Working Conditions. If one thinks about employment policy, it covers a very broad range of areas across Government including taxation, innovation, education, skills needs, economic migration and enterprise supports. By moving the particular sections we moved, we are aligning employee based rights with the welfare to work agenda. It is a reasonable action to have taken and is very much in line with how other European countries deal with these issues. In the European Commission, these issues would be dealt with by the committee that deals with social protection as opposed to employment law. It is very much in line with what the stakeholders the Deputy speaks about would be used to at European level. There is very close engagement between the two Departments.

Acting Chairman (Deputy Eugene Murphy): Is the Deputy happy with that?

Deputy Niall Collins: Yes.

Brexit Issues

11. **Deputy Charlie McConalogue** asked the Tánaiste and Minister for Business, Enterprise and Innovation her plans to minimise the impact of Brexit in County Donegal; the engagement she has had with the IDA and Enterprise Ireland to ensure they secure new investment in County Donegal in view of Brexit; and if she will make a statement on the matter. [42763/17]

Deputy Charlie McConalogue: What are the Minister's plans to minimise the impact of Brexit on County Donegal? What engagement has she had so far with IDA Ireland and Enterprise Ireland to ensure they secure new investment into the county particularly in view of the challenge of Brexit? Will she make a statement on the matter?

Deputy Frances Fitzgerald: As I said in reply to one of the Deputy's colleagues earlier, I am very conscious of the threat of Brexit, particularly in the Border region and Northern counties. We have free trade at present both sides of the Border. As Deputy Smith said earlier, we

really want to see that situation continue unchanged. The North East-North West action plan for jobs is the key policy response for supporting employment growth in the Border region, including Donegal. We have seen the unemployment rate in the Border region fall from 10.2% in the first quarter of 2015 to 6.6%. Clearly very good progress has been made in terms of job creation and in terms of supporting employment in Donegal and the Border region. The key point now is to ensure this continues and that we support enterprise to deal with any challenges that may be ahead.

I have already outlined to the House the initiatives we are taking to make sure that counties such as Donegal continue to see job creation. Additional funding of €150 million is being made available to IDA Ireland to support its regional property programme and to drive job creation. That is one response. Another response is making sure capital is available to companies at a low interest rate. The €300 million fund will help companies that may be experiencing temporary cash flow problems. The results of the applications to the regional development fund will be announced very shortly and there will be a new tranche in January. There is no doubt companies in Donegal have applied for it. There is a regional criterion for it. Enterprise Ireland is doing work on the Brexit scorecard, various supports and reaching out to companies. We have to make sure the companies that perceive themselves to be at risk have plans, that they diversify, work with the supports that are out there at present and face up to the potential challenges that Brexit will bring and that they are realistic about it and working on the issues.

Acting Chairman (Deputy Eugene Murphy): I want to try to get in a couple more questions.

Deputy Charlie McConalogue: The Minister's response is very disappointing and disheartening. My question specifically referred to the engagements she has had with the State agencies, IDA Ireland and Enterprise Ireland, with regard to trying to ensure they can up their game to deal with the challenge of Brexit. The Minister did not deal with that in her response. We need the Government to totally change its approach to the prioritisation of County Donegal by IDA Ireland in particular. In 2015 and 2016, there were 11 IDA Ireland visits to the county while in the same period there were 446 in Dublin. Just two of the approximately 600 new companies that have come to the country in the past nine years have come to Donegal. Existing companies in the county, such as Optum and Pramerica, do well and continue to bring in new employment but we are not being prioritised by IDA Ireland for new employment. What engagement has the Minister had with IDA Ireland and Enterprise Ireland to try to improve that situation?

Acting Chairman (Deputy Eugene Murphy): The Deputy will have another minute to respond. I hate cutting across Deputies.

Deputy Frances Fitzgerald: I have constant engagement with Enterprise Ireland and IDA Ireland on job creation across the country. Both agencies are very conscious of the need to attract regional investment and, importantly, to support jobs that are already here. If one looks at the figures, 70% of all new FDI comes from existing IDA Ireland client companies. Site visit activity does not necessarily reflect investment potential. Donegal is now home to 12 IDA Ireland companies employing 3,039 employees. That is important. It is a 37% increase since 2012. There are things happening and there are improvements. One can see that from the employment figures for Donegal. It is a 37% increase. It is important. It is going in the right direction.

I take the Deputy's point that this is a particularly challenging time in terms of the potential Brexit challenge. The Deputy should be absolutely clear that IDA Ireland is focused on regional development. We can work so far in terms of supporting a company to go into a regional area but at the end of the day the company decides where it wants to locate. What all of us working together have to do is make sure our regions are in a position to continue to attract and support foreign direct investment. Indigenous business is extremely important as well in terms of the future growth of job creation in Donegal.

Acting Chairman (Deputy Eugene Murphy): I want to keep to the times because there are other Deputies waiting to ask their questions.

Deputy Charlie McConalogue: I will try to shake the complacency of the Minister's reply. She believes there has been a certain level of achievement by the State agencies because existing companies in the country are increasing employment. They are and they are continuing to grow because they are thriving in the county and it is a place they can do business. The point I am making is that we are getting no new investment. It is something the Minister needs to address. Companies such as Optum and Pramerica, which are growing, came to the county in the 1990s and 2000s and grew from there but we are not getting new investment by new companies. They are not coming and we need to get our fair share of that. It comes down to the Minister with responsibility and the Government driving it. There is no point in telling us there is a policy of regional development when it is quite clear the policy is failing and not happening on the ground. We need it to be addressed by the Minister. On the threat Brexit poses to our county, the fact our economy is so dependent on Northern Ireland plays a big part in that. It makes it even more important that we see a change of approach from the Government. It is crucial that the Minister takes control of that and ensures we do not continue to be neglected which unfortunately has been the case with regard to new investments over the past number of years.

Deputy Frances Fitzgerald: More can be done and it should and will be done but there is no complacency, especially in the face of the Brexit challenge. It is important to recognise the improvements that have been made. I am simply pointing that out. There have been recent investment announcements which the Deputy seems to be disregarding such as the opening of the new SITA premises in Letterkenny, Optibelt Urethane Belting Limited is moving to new premises in Letterkenny with associated capital investment of €7.7 million over five years, and the expansion of Pramerica with the creation of 330 new jobs. Of course, more can always be done. We undoubtedly need to continue to have a focus on Donegal and other regional areas. There were seven site visits by IDA Ireland to Donegal in 2016. IDA Ireland will do its utmost to encourage clients to locate in areas that are most in need of investment. At the end of the day, companies decide where they will locate having considered all the issues. Thankfully, the majority, over 71%, of jobs created last year were in regional areas outside Dublin.

Small and Medium Enterprises Supports

12. **Deputy Maurice Quinlivan** asked the Tánaiste and Minister for Business, Enterprise and Innovation her plans to establish a co-operative development unit to increase the number of worker co-operatives. [43035/17]

Deputy Maurice Quinlivan: The Leas-Cheann Comhairle will probably be interested in this question on co-operatives. I was disappointed that the Ceann Comhairle took out one line of the question we tabled, which referred to the Sinn Féin alternative budget. We were advised

that it would be argumentative, which I find disappointing. I wanted to reference that in what I planned saying. Will the Minister consider establishing a co-operative development unit to increase the number of worker co-operatives?

Deputy Frances Fitzgerald: Many enterprise supports are already available. Grants and supports are available to a wide variety of businesses at different stages ranging from establishment to growth and beyond.

The co-operative model is one of a number of legal options that are available to those considering establishing themselves in business, and the different models have their own distinct characteristics. It is, of course, up to each individual operation to choose the model that best suits the nature of the business and the desired ethos of the entity. The Department supports co-operatives in the same way as we support other enterprises. I have no plans to establish a co-operative development unit in the Department at this time.

The Friendly Societies and Industrial and Provident Societies (Miscellaneous Provisions) Act 2014 was aimed primarily at easing the regulatory burden on co-operative societies, making it easier to start up and run a co-operative as an alternative form of enterprise organisation. It addressed particular problems that were identified in the co-operative sector and helps to ensure this model thrives and grows to its potential to promote appreciation of the co-operative as a form of enterprise organisation.

The Department has a strong focus on developing indigenous businesses. We are obviously working with SMEs, which account for 99.8% of all enterprises in the State, and adopting policies which respond to their needs. There is a range of tailored supports for businesses of all types and includes access to finance, management development, mentoring supports, business development programmes, market supports and so on.

There is a structured dialogue with the SME sector. The same supports are available to those who choose to establish co-operatives as are offered to all enterprises and to small and medium-sized businesses.

Deputy Maurice Quinlivan: Obviously, I am very disappointed at the Minister's response. I asked if she would establish a co-operative development unit and obviously she said she would not. I commend Senator Gavan on a policy he developed over the summer and launched last month on the issue of co-operatives which, if implemented, would make significant progress in delivering sustainable jobs in local communities.

As the Minister will be aware, the Department previously had a co-operative development unit. It was established by Government in 1988 but was subsequently dissolved in 2002 by the then Minister. Ireland has had a long history of co-operative businesses since the first one was established in 1889 by Horace Plunkett. However, we have never realised the potential that this kind of business can deliver. Many of these companies have proven to be more resilient and productive and to provide greater social benefits to the workers, their families and their communities. I urge the Minister to work on plans to encourage expansion of the co-operative network. To do that I believe a co-operative unit should be established in the Department.

Deputy Frances Fitzgerald: I know the Deputy has spoken about this previously. His point is that he would like to see more networking and development between the existing co-operatives. I agree with him that co-ordination of the work done by co-operatives would be worthwhile to examine common issues and the kinds of supports that might be needed. My

Department will have no difficulty in responding to any particular needs that such a network among co-operatives would identify. If that should emerge and such a network could support the establishment of new worker co-operatives through advice and networking, we would certainly be very happy to respond to them and see if there are particular initiatives that either Enterprise Ireland or the local enterprise offices, LEOs, could take in response to such a move. Many LEO supports are available to co-operatives, including feasibility grants, priming grants and business development grants.

Deputy Maurice Quinlivan: I understand the supports they can access, but it does not answer the question. With Brexit approaching, it is more important than ever that we have a strong indigenous company base, especially considering how multinationals can be vulnerable to the tax base. Does the Minister agree that building that sector could have distinct advantages for the economy?

I also want to raise the issue of allowing workers to buy a company if a succession issue arises. As the Minister will be aware, this has caused many problems over the years with potentially profitable companies closing because of succession problems. When a new owner dies with no succession plan, we are not protecting jobs.

An Leas-Cheann Comhairle: I am anxious to get in another question. I call the Tánaiste.

Deputy Maurice Quinlivan: If no plans for expansion of the co-operatives exist, how does the Minister plan to protect jobs if such succession situations arise?

Deputy Frances Fitzgerald: I did not get the last part of the Deputy's question.

Deputy Maurice Quinlivan: If the Minister has no plans for the set-up of a co-operative unit in the Department, how does she intend to protect jobs if such succession situations arise in such small companies?

Deputy Frances Fitzgerald: There are a range of initiatives to support job creation. If the co-operative firms, as with any other firms, are in need of particular support, particularly in the Brexit context, those supports are available to co-operatives in the same way that they are available to enterprises. It is a question of ensuring that they realise that supports are available to them, as they are to other enterprises, and that they access them. If they do the kind of networking the Deputy suggests and if particular issues arise, I am very happy for the Deputy or the co-operative movement to communicate with my Department and for us to respond to the particular issues they identify as being essential to help them cope with any current threats.

An Leas-Cheann Comhairle: We will have a final question from Deputy Wallace and I will give him one supplementary question.

Deputy Mick Wallace: Why? It started late.

Job Creation

13. **Deputy Mick Wallace** asked the Tánaiste and Minister for Business, Enterprise and Innovation the measures she is taking to address the below average growth of foreign direct investment job creation, the lack of progress in stimulating indigenous industry and the deficit of IDA Ireland and Enterprise Ireland activity in County Wexford; and if she will make a state-

ment on the matter. [43170/17]

Deputy Mick Wallace: As the Tánaiste is probably aware, the south east is the only region not meeting the Action Plan for Jobs target of bringing unemployment to within 1% of the national average. Within the south east, Wexford is performing worst of all the counties. In 2015, only 2.4% of the net IDA Ireland supported jobs created were in the south east despite the region making up almost 11% of the population. In 2016, the figure was 5.7%, which is still well short of 10.7%. The figures for Wexford are probably the worst in the country. Does the Minister have any direct action plans to deal with Wexford itself or will it continue to be lost in an underperforming south-east region?

Deputy Frances Fitzgerald: It is important to examine precisely what has been happening in recent times. It suggests that the initiatives that are under way are having an impact. There has been a substantial increase in job creation in the region since the commencement of the national Action Plan for Jobs in 2012, with an additional 33,600 in employment in the second quarter of 2017. As the Deputy knows, the unemployment rate in Wexford has decreased from 16,170 in 2011 to 11,478 in 2016, a reduction of almost 5,000 people.

Clearly, more work remains to be done. I take the Deputy's point on the comparison with the average rate of unemployment. A lot of work is going on. There is a strong base of agency supported jobs in the county. Currently, 2,630 people are employed in IDA Ireland supported companies, 4,816 in Enterprise Ireland client companies and 1,192 in local enterprise office supported businesses. Considerably more than 8,000 people are in agency supported employment in County Wexford. Many things are moving in the right direction but I take the Deputy's point, he wants to see an acceleration of those actions. I refer to the continuing work by indigenous companies, which have a strong presence in County Wexford. Enterprise Ireland-supported companies in the county employed almost 5,000 people. It also supports two community enterprise centres. These serve as important enterprise hubs. Local enterprise continues to perform well. The local enterprise office in Wexford successfully secured funding for five projects under Enterprise Ireland's competitive fund. These projects will begin to create more jobs in the period ahead. Two other projects from within the county were also awarded funding under Enterprise Ireland's community enterprise initiative scheme.

Looking ahead, I assure the Deputy that IDA Ireland is targeting an increase of investment in the south-east region of 30% to 40% by 2019. It is focusing on the region and will work with companies which come to Wexford.

Deputy Mick Wallace: I have been listening to replies such as this since before the Minister's time. The fact remains that over 16% of the labour force in Wexford is still on the live register. Most of the jobs that have come on stream in the past 18 months have been part-time and of low quality. Low job quality is holding the region back severely. Income tax returns for Wexford and the south-east region are half the national average on a *pro rata* basis. How shocking is that? There is huge underemployment in the region.

Recently, Dr. Ray Griffin of Waterford Institute of Technology was asked why things are still so problematic in places in the south east. He was talking about the south-east region, but County Wexford is by far the worst off of the counties in the south east. He said there are two main drivers of these problems. He said the weak labour market is driven by very low levels of educational attainment and poor service from the national agencies tasked with enterprise development. He says that it is national policy and that one can see that it is an unfavoured region.

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I am not blaming the Minister, as she has just started in the job, but specific help is required not just in the south east in general, but in Wexford in particular. The Minister knows I am not a parish pump merchant but when I canvassed during the last election two years ago, I went to approximately 20,000 houses and I was shocked at the level of poverty in the county. Wexford needs strong, specific help or it will remain in the doldrums. The N11 is packed with cars filled with fellas driving to the building sites in Dublin for work. There is no work in Wexford.

An Leas-Cheann Comhairle: Time has expired but I will allow the Minister to respond.

Deputy Mick Wallace: I thank the Leas-Cheann Comhairle. He is too good.

Deputy Frances Fitzgerald: Obviously work needs to be done on an ongoing basis, but more than 13,000 people have returned to work in the south-east region since the launch of the regional action plans initiative in the first quarter of 2015. That is a central pillar. We need a continued focus on the situation the Deputy has described through the regional action plans. The initiatives which are in place have shown results, as can be seen from the figures in respect of people who have become employed but there is still work to be done.

With regard to the institutes of technology, the Technological Universities Bill will be important because it has been shown that things come together when there is such engagement between universities and the technology sector and when young people are provided with the skills necessary for work in foreign direct investment supported companies. Work needs to be done on an ongoing basis. The Action Plan for Jobs will continue to focus on the initiatives which are needed to ensure continued job creation. I expect we will see the improvements which we have already seen being replicated in the period ahead given all the indicators in terms of continued foreign direct investment in Ireland and the indigenous business sector. We are seeing job creation from our own indigenous base here all of the time. I have no doubt that County Wexford will benefit from that, as have other counties.

Written Answers are published on the Oireachtas website.

Leaders' Questions

Deputy Niall Collins: I wish to raise the issue of pension discrimination against up to 35,000 pensioners in Ireland, the vast majority of whom - in excess of 23,000 - are women. The Tánaiste will recall that back in 2012 the then Minister for Social Protection, Deputy Burton, introduced the averaging rule in respect of the calculation of a person's entitlement to the State pension. Yesterday, the Minister for Finance, Deputy Donohoe, participated in the annual phone-in radio programme with Seán O'Rourke on RTÉ and it was quite revealing. He was challenged by a caller from County Longford who outlined his wife's situation. She had entered the work force as a student and then taken a number of years out to be a homemaker and to raise her family. She had also been disbarred from working in the Civil Service because of the State ban on married female civil servants. She is now being financially discriminated against and disadvantaged to the tune of €35 per week, which amounts to almost €1,800 per annum. She is not even entitled to the increase which was announced in the budget. When challenged, the Minister's reply was that he found the situation to be bonkers and unbelievable.

To say that people are outraged at this, as well as at the Minister's reaction and comment, would be an understatement. It is inconceivable that the Minister for Finance would react like

that without having anything substantial to offer these people who are being blatantly discriminated against by the State. It is a shameful indictment of the decision made by the Government of the day, to which the Tánaiste, her colleagues and the Labour Party were party.

As a former leading light in the National Women's Council of Ireland, the Tánaiste will have heard its comments and how it has been campaigning and reacting in this regard. Age Action Ireland also lobbied Oireachtas Members on a number of fronts in advance of the budget. My own party, other parties and individual Deputies have been raising this issue in recent years. Apart from platitudes and soundbites from the Minister, such as those he gave yesterday during his interview with Sean O'Rourke when challenged quite succinctly, what exactly do the Tánaiste and the Government intend to do to address this blatant inequality? It is gender-based inequality in the main because it impacts on women, as I have said. It must be borne in mind that many women took time out of the workforce to rear their families, to look after sick relatives or elderly parents and to look after their homemaking responsibilities. Will the Tánaiste outline the Government's intentions for the many thousands of pensioners who are being discriminated against in this fashion, and the women in particular?

The Tánaiste: In his comments yesterday, the Minister was referring to the marriage bar and the impact it had. It is almost impossible to believe that was in place up until the 1970s. I am acutely conscious of the problems women are experiencing in accessing adequate pension provision. We had extensive discussion on this as we formulated the National Strategy for Women and Girls 2017-2020, which I published in May of this year. The actions in that strategy include increasing women's access to pensions in their own right, improving their access to private and occupational pensions and assessing the impact any future reforms to pension policy in this area will have on women and taking actions if appropriate. That has been accepted by the Government in the national strategy in respect of dealing with this issue. In line with the national strategy the Minister, Deputy Flanagan, and I also launched a public consultation on tackling the gender pay gap in August. We need to drive a whole-of-Government agenda to deal with these gender pay issues, including the pension issue, female entrepreneurship, child care, skills, STEM subjects and so on.

This is clearly a complex issue. Of course we do not want to see gender discrimination in our pension provisions. It is a complex issue to resolve in the sense that we do not want to create any new anomalies which would discriminate against people who have a contribution history. The current rate plans applying to the contributory State pension were introduced with effect from September 2012 and reduced the previous rates which had been introduced in 2000. These rate bands now reflect the social insurance contributions history of a person more closely than those that were in place between 2000 and 2012. It is estimated that to revert to the previous bands from January 2018 would result in a cost of more than €60 million in 2018, which would increase by an estimated €10 million in each following year. It would be expected to cost some €70 million in 2019. Spending this money on reverting to the old rates would not generally benefit the worst-off pensioners who are dependent upon the State pension. This is because the main beneficiaries would be those who have other income means such that they do not qualify for a non-contributory pension, which is 95% of the contributory pension. Given that the funds would come from the general pension provision, less well-off pensioners could expect to be worse off if such a course were taken.

The savings created by the new rate bands were an alternative to cutting the core rate of pensions at a time when Exchequer savings were required and other social protection payments were being reduced across the board. Had a similar approach been taken with pensions, af-

fecting everyone over State pension age regardless of their means or their contribution record, the hardest hit would have been pensioners with no additional income, notably those paid a non-contributory State pension and widows and widowers living alone. A significantly higher portion of such pensioners are women and this approach would have been expected to result in more women over 65 experiencing difficulties in terms of income.

It is a complex issue and to resolve it is between €200 million and €300 million overall. We do not want to see gender discrimination and the Minister for Employment Affairs and Social Protection is having ongoing discussions with the Minister for Finance.

Deputy Niall Collins: It is just not good enough for the Tánaiste to come in here and say that this is a complex issue. What is basically happening is that women in the main and some men are being blatantly discriminated against because they were not in the workforce for a number of years. That is not complex. The years they were not in the workforce are being used to average down their contributions. There is nothing complex about that. It is just pure discrimination. It has got to be fixed. Is the Tánaiste happy for this to pertain indefinitely into the future? Has the Government got a realistic plan?

When my colleague, Deputy O'Dea, who is our spokesperson on this area, questioned the Minister for Employment Affairs and Social Protection earlier this month, he was pointed towards an exercise of total contribution approach. That is not going to solve anything in the short term. I want to get from the Tánaiste a sense as to whether this issue will be addressed. Can she at least commit to addressing it incrementally? She indicated that it may cost up to €60 million, a sum which she then revised upwards to €240 million. How much is it going to cost? It is simply not fair to be discriminating against people who took time out, bearing in mind that the State forced many of them to do so because they were in the civil and public services.

The Tánaiste: I have said to the Deputy that any gender-based discrimination is unacceptable in terms of any of our policies and approaches. This is a serious issue for women who took time out. Some women are suffering every year in their pensions because of this. We are all very familiar with the individual cases. What I am pointing out is that to resolve this anomaly, I am informed that an overall sum of €200 million to €300 million would be involved. I have stated that the Minister for Employment Affairs and Social Protection has had discussions with the Minister for Finance. Clearly that is a huge sum of money to be found in the current context. I have no doubt those discussions will continue to see precisely what remedies can be put in place.

We do not want to create further anomalies. I am informed that some of the changes could put other groups at risk. On contribution history, for example, if one disregarded the contributions and moved towards a more universal payment, one would risk that the contributions people had actually made were not resulting in them getting a commensurate pension. We do not want to create that situation either.

An Leas-Cheann Comhairle: A number of Members are indicating that they want their name on the list for promised legislation but there is no promised legislation today, as the House agreed yesterday. I call Deputy McDonald.

Deputy Mary Lou McDonald: Go raibh maith agat, a Leas-Cheann Comhairle. I also want to raise the way in which budget 2018 perpetuates the discrimination faced by many, but particularly by women, when it comes to the State pension. As has been said, 35,000 people

have been left with a lesser pension payment than they would have received had they retired before 2012. As the Tánaiste knows, this is the result of measures introduced by the Fine Gael-Labour Party Government, which changed eligibility criteria. Deputy Burton's decision made it more difficult for those without an unbroken, full-time, long-term work history to qualify for the maximum payment. The changes to the bands in addition to the averaging rule regarding PRSI contributions were completely unfair and have had an absolutely disproportionate impact on women, many of whom left the workforce to raise children or to care for their families. Some people are down by as much as €30 a week and, astonishingly, almost 25% of women on a State pension are losing out to this extent.

Some talk about this situation as though it were a mistake, oversight or oddity but it was not an oversight. The 2012 changes were implemented in the full knowledge of their impact on women. It was not a mistake. The Government knew it was going to put thousands of women in this position. It was a conscious decision. The current Government continues to make decisions against the welfare of these women. The Minister, Deputy Donohoe, has described the situation as bonkers and unbelievable. What is really bonkers and unbelievable is that he drafted and announced a budget on Tuesday that does absolutely nothing to rectify this matter. I suppose that comes as no surprise. This Government and its friends in Fianna Fáil have form in preventing a just rectification of this problem. The Tánaiste may recall that last December, Sinn Féin put forward a motion to try to address this issue. We attempted to address the pension inequality against women by reversing the changes introduced by Deputy Burton in 2012. I remind Members that the motion was rejected by Fine Gael and Fianna Fáil.

Deputy Niall Collins: Sinn Féin did not support our amendment.

Deputy Mary Lou McDonald: In our alternative budget, which is a balanced budget, Sinn Féin provides for the funding to reverse the 2012 changes, which so viciously discriminate against women. The Government could have made that choice too but it refused. It chose not to do right by the women affected. Doling out tea and sympathy does not cut it. Fine Gael is in government to bring forward solutions and resolutions. Notwithstanding strategies on women, the long-term view and the Tánaiste's personal views on gender discrimination, I want to know what she is going to do in the here and now to reverse the changes introduced in 2012.

The Tánaiste: I have outlined the actions that have been taken already. We recognise that women who have taken time out are at risk in terms of pension rates. It is expected that the total contribution approach will replace the yearly average approach for new pensioners from 2020. The aim of this approach is to make the rate of contributory pension more closely matched to contributions made by a person. This is a very significant reform with considerable legal, administrative and technical elements in its implementation. An important element in the final design of the scheme will be the position of women who have gaps in their contribution records as a result of caring duties. That factor is of course being considered very carefully in terms of developing this reform. The Minister, Deputy Regina Doherty, is currently working with her Department on the detailed development of the total contribution approach with a view to making proposals for consideration later in the year. It is then intended to have a public consultation which will provide an opportunity for people to submit their views on the proposals. Following this consultation process, proposals on the final details of the scheme will be made to the Government. That is an important element of dealing with this issue. The Minister is engaging on that work and an important part of it will be to examine the issue of women who have gaps in their contribution records as a result of caring duties. Serious account will be taken of this when dealing with this reform.

If one committed to backdating the homemaker's scheme or changing the rate bands, it would cost between €200 million and €300 million. The rate changes reversal would come to €60 million in 2018, rising by an additional €10 million per year. The issue is on the agenda and is being considered by the Minister. It will be an important part of the reform she is examining with the total contribution approach. The whole aim of that is to ensure the rate of contributory pension more closely matches the contributions made by a person but taking account of gaps in women's contribution records.

Deputy Mary Lou McDonald: Is the Government seriously asking women to wait until 2020 for this matter to be resolved? That is bonkers, unbelievable and unacceptable. Every Member accepts the changes introduced in 2012 disproportionately affect and impoverish women. I have told the Tánaiste that almost 25% of women in receipt of a State pension are discriminated against to the tune of €30 a week. That is a lot of money for people on a fixed income. Something needs to be done about it now.

The Tánaiste deliberately and cynically conflated two matters. The retrospective application of the homemaker's scheme would cost several hundred millions of euro. What needs to happen in the here and now is a reversal of the band and rate changes introduced in 2012. The Tánaiste was correct that the cost to the Exchequer of that would be €70 million. That is what needs to happen.

An Leas-Cheann Comhairle: Will the Deputy put a question?

Deputy Mary Lou McDonald: The women affected campaigned on this issue before the budget. Fine Gael and Fianna Fáil were aware of this issue before they signed off on the budget. The women in question have been led to believe there is unanimous support in the Dáil for the reversal of the 2012 changes, and that the Dáil understands and will end this discrimination against women. That is what needs to happen. I am putting it to the Tánaiste that she makes that happen now.

The Tánaiste: In the timeframe I outlined, I stated the Minister would make some recommendations later this year. The 2020 date related to the implementation of the total contribution action, TCA, to replace the yearly average approach. The Minister is working with her Department on the detailed development of that with a view to making proposals for consideration later in the year.

It is worth pointing out the many positive changes in the budget for families such as reducing costs and supporting child care.

Deputy Mary Lou McDonald: The Tánaiste was not asked that question.

The Tánaiste: Many other budgetary decisions were taken this year which were important in increasing income for working families, reducing taxes for those in work and supporting families in a whole range of other ways.

This is a particularly challenging issue. I have already accepted that we do not want discriminatory elements in pension provision.

Deputy Mary Lou McDonald: Then the Government should reverse it.

The Tánaiste: Women have to deal with the impact of this on an ongoing basis. The Government is examining the issues and, in particular, the Minister in the context of the total con-

tribution approach. She is conscious of this particular issue for women who have gaps in their contribution record which impacts on their current pension.

Deputy Michael Lowry: I am seeking clarification and detail on the Brexit fund for small and medium-sized enterprises, SMEs, announced in Tuesday's Budget Statement. Connected to that is the issue of the European Union-Mercosur trade deal.

Agriculture is Ireland's largest indigenous sector with over 300,000 people employed directly or indirectly in the agrifood sector. County Tipperary has a proud tradition of excellence in the agrifood sector with many famous brands produced in the county. The Tipperary Food Producers organisation is a community of SMEs working in the agrifood sector in the county, showcasing the best of Tipperary food, with over 30 members producing quality artisan products such as Cashel Blue Cheese, Crossogue Preserves, Lough Derg Chocolates, Crowe's Farm bacon and many others. Their main concern is Brexit. Tipperary is also home to many dairy co-ops which process milk into a wide range of dairy products such as cheese, butter, milk powders and baby powder for the home and export markets.

Agriculture in Tipperary is an important employer supporting thousands of jobs in our rural economy. Ireland exports 90% of its agricultural produce which is worth €1.1 billion per year to the economy. The sector has already been hit by a dramatic fall in the value of sterling against the euro from 76 pence, just before the UK Brexit referendum in June 2016, to 89 pence currently.

It is against this background that I welcome the announcement in Tuesday's budget that a new €300 million Brexit loan fund is to be established for SMEs facing unknown Brexit challenges. Several representative groups have asked me about the detail of this particular scheme. To whom will it apply? What are its terms and conditions? They have also expressed concern that the loan applications would not be taken until next March.

What is the Government's position on the current Mercosur trading bloc deal, taking into account that the IFA stated it could reduce Irish beef prices by at least 30% which would inflict losses of €500 million per annum on the industry? Will the Tánaiste give me some detail on both these matters?

The Tánaiste: The new €300 million Brexit loan scheme will ensure there is affordable financing available to businesses which are either currently impacted by Brexit or could be in the future. For example, it could apply to the type of firms and businesses referred to by the Deputy which have a high dependence on the UK market and whose supply chain could be disrupted by Brexit.

The scheme is to ensure accessible finance is available to viable businesses at a lower rate of 4%. The scheme will be delivered through SCBI, Strategic Banking Corporation of Ireland, and will be provided through commercial lenders. A tender process will occur over the next several weeks and SCBI will have a website up by the end of this month with the details.

Although details have to be worked out in association with SCBI and the providers, there is agreement with and strong support for this scheme at EIB, European Investment Bank, level. We are confident about the introduction of this scheme. It will provide loans ranging from €25,000 to €1 million, and perhaps slightly beyond. The details are not finalised yet but they will become available in the next period. Firms will be in a position to apply and register their interest towards the end of September. The scheme will get under way in the new year.

I expect finance will then very quickly become available to appropriate firms that meet the criteria to be developed by the Strategic Banking Corporation of Ireland, SBCI, in association with the providers in the next period.

As regards the European Union-Mercosur trade deal, the Minister for Agriculture, Food and the Marine is working closely with other countries that have difficulties with the terms that are emerging, in particular regarding the beef sector. We are working with those like-minded countries. The Taoiseach raised the issue with the President of the European Commission, Jean-Claude Juncker, a little over a week ago in Tallinn. We are concerned by the deal because we are aware of the high dependency of the country on beef exports, in particular to the UK, and that any change or diversification of that market will take time. The prices are right in terms of exports to the UK and this issue is very challenging. We support trade agreements and, as an open economy, want to ensure the new trade agreements on which the EU is working are put in place but we also want to protect our vital sectors such as the beef industry as much as possible.

12 o'clock

Deputy Michael Lowry: I appreciate the Tánaiste's clarification on the fund that is available. The reaction of people to the measure since it was announced leads me to believe €300 million will not be sufficient but it is a genuine effort to help small companies that have trading difficulties with the UK. There are many such companies and they are a huge source of employment, in particular in rural areas. I hope there will be flexibility and that additional funds will be made available to support them if required.

It is very important that the Government is aware of the impact on Irish beef farmers of the trade deal currently being negotiated and the difficulties that will arise in terms of the number of cattle that will be required to fulfil the deal. That will have an impact on beef prices and the Government needs to be very strong on this issue, in particular when one considers the traceability, labelling and quality standards of Irish beef compared with that which comes from South American producers. The products are not comparable and it is unfair and unjust for that type and quality of beef to be allowed into the European market. In particular, consumers should be aware that the deal is under negotiation. I believe they would object to inferior beef of that type being brought into the marketplace.

The Tánaiste: I assure the Deputy that the Minister for Agriculture, Food and the Marine, the Taoiseach and all other Ministers are very conscious of the situation he has outlined, the potential threat that exists and the possible impact it could have on the beef industry at a very difficult time. We will be working very hard, in particular with like-minded countries, to ensure we get the best deal possible.

As regards the demand for financial support, my Department has filed for a rescue and restructuring package of about €10 million with the Commission to ensure that is available should it be needed by companies that may be impacted by Brexit. The current €300 million scheme will be in place for two to three years: loans will be for periods of up to three years and the fund will run for two years. A longer-term fund is also being considered that would support businesses and provide funding over a six to seven-year period. We are conscious of the need to ensure finance is available to companies that may be impacted by Brexit in both the short and medium term.

An Leas-Cheann Comhairle: As there was yesterday, there will be a bonus in the form of an extra question but the Deputy must exercise self-discipline.

Deputy Donnchadh Ó Laoghaire: I thank the Leas-Cheann Comhairle. The young have long been treated as an easy target for budget cuts. In the first few austerity budgets, young people were singled out for particularly vindictive treatment. Third level fees skyrocketed, there were cutbacks to unemployment benefits for those under 25 and youth services were cut to the bone. The message of successive Governments, first that of Fianna Fáil and the Green Party and then that of Fine Gael and Labour, was that the country could not afford young people and perhaps they could try their luck elsewhere. As a result, tens of thousands of people, including dozens I grew up with, left for Western Australia, Canada, London, the United States and countless other places. Those left behind faced unemployment or underemployment and miserly supports if they could not find a job.

The Taoiseach is fond of telling the House of his republic of opportunity. Young people do not want a hand-out or any special pleading but only the opportunity to have a decent standard of living. However, my generation is being denied the opportunities that previous generations took for granted. There was little in the budget to convince those who travelled to the four corners of the world there is anything in this republic of opportunity for them to come home to. Some 15,000 students marched outside Leinster House last week seeking respite from the crippling fees that are discouraging many from pursuing the education that could give them real opportunities. However, the Government appears deaf to their demands. The Government also appears to be militantly opposed to equal pay for equal work for young workers in the public sector. I remind the Tánaiste that the youth unemployment rate remains at 15%. Those who do not have work face discrimination because of reduced unemployment benefit regardless of circumstance or whether they have mouths to feed or rent to pay.

Earlier this year, the Taoiseach, who was then Minister for Social Protection, confirmed to me that Ireland had drawn down none of the Youth Guarantee funding available to it in the previous year, so the indifference of the Government to young unemployed people should come as no surprise.

Housing is the key issue for young people. The average rent in Dublin is now €1,700 and the average purchase price of a property is €250,000 countrywide and much higher in Dublin and Cork. People are breaking their backs just to keep the roof of a cold poky flat over their heads.

The young of this country have the opportunity to be blocked from getting a third level education, to face discrimination in pay and unemployment benefits, to live from one short-term contract to the next while earning pathetic pay, to pay a third or half their income on rent and to be locked out of the housing market. When will the Government begin to deliver a republic of opportunity for my generation and to give them the opportunity to ever own their own home? At present, that is nothing but a pipe dream.

The Tánaiste: The best message from the Government to the next generation is that we have a republic of opportunity, which is created by managing the economy and ensuring there is money to invest in services. If the economy is not managed properly there will not be funding available to invest in services such as education and the others the Deputy mentioned. The budget contained the highest-ever allocation for education, involving an increase of €554 million or 5.8% to more than €10 billion. It provided for 2,000 new teachers and special needs assistants. Overall Government investment increased by more than €1 billion in budgets 2017 and 2018. We have moved from having an unemployment rate of more than 15% to full employment being expected next year. That is a message of hope for the children in the country and for the people who left the country, many of whom, thankfully, are returning to take up the

jobs the Government is ensuring are available. Job creation offers hope to young people in the country and those who have gone abroad but who can now return to jobs. That is the reality of the situation. It is a different reality to that depicted by the Deputy. This is the first time in ten years that a Government has been able to ensure that we can live within our means and doing that means we can provide the kind of future we want, one in which people have access to housing, a health service that works for them and the kind of education that is needed.

In terms of training for young people, there will be a fund to ensure that training courses are available for young people to develop the kind of skills that employers need. There is an increase in apprenticeships, which is a very important route to jobs for many young people and one in which there was underinvestment previously. However, decisions made by the Government will ensure that a range of training initiatives will be available to young people to ensure they will be skilled and will have the education for the kind of work that will come on stream in the new digital economy. There has been very successful ICT training for young people which has ensured they have been job ready. Taken together, all of this gives hope to young people and ensures they will have a bright future in their own country.

Deputy Donnchadh Ó Laoghaire: The Tánaiste referred to 15% unemployment. As I said, that is still the rate for young people. She spoke of the reality I outlined. That is the reality for young workers. Any young workers to whom I speak are on a treadmill that is getting faster and faster as the cost of everything that matters to them in their lives, whether insurance, housing or anything else, increasingly outstrips any increases in their pay. They simply cannot keep up and they feel locked out. I meet such people in my clinics every week.

I raised with the Tánaiste the specific issue of housing. The Government and Fianna Fáil said this budget would be measured on the basis of what it did in housing. If that is so, it has surely failed in that there will be no new social housing beyond what has been already announced and, incredibly, literally nothing on affordable housing. This is a hammer blow to the ambitions of thousands. This is a huge category of people, ranging from those in the tech professions in Dublin to tradespeople in Limerick. It is a wide variety of people from all sorts of backgrounds who are unable to qualify for social housing and cannot get mortgages, and this Government is doing literally nothing for them. They come to my clinics and ask me what options they have. They have none, and this Government is doing nothing about it. It made an announcement about the possibility of an affordable housing scheme this year. There was nothing in this budget on that. For seven years Fine Gael has been in Government. The Government talks about working families. That is absolute cant to those who are simply paying a fortune on rent and have no prospect-----

An Leas-Cheann Comhairle: I call the Tánaiste to respond. Otherwise, we will run out of time.

Deputy Donnchadh Ó Laoghaire: -----on the basis of the Government's policies of ever having a permanent home.

The Tánaiste: Quite a number of initiatives were announced as part of the budget by the Minister, Deputy Murphy, on Tuesday.

Deputy Eoin Ó Broin: Not on affordable housing.

The Tánaiste: We have removed many of the obstacles to affordable supply.

Deputy Eoin Ó Broin: No, you have not.

The Tánaiste: It is very important to acknowledge this.

Deputy Ruth Coppinger: Not affordable supply.

The Tánaiste: Budget 2018 removes remaining significant obstacles to the building of more homes more quickly and at more affordable prices through a number of measures, for example, by investing more in direct housebuilding, removing the capital gains tax initiative to hold on to residential land, escalating penalties for land hoarding, introducing new affordability measures and providing a new, more affordable finance vehicle for builders.

Deputy Eoin Ó Broin: None of which will affect the supply of affordable homes.

The Tánaiste: This will ensure that the new supply is delivered at more affordable prices.

A Deputy: What price?

An Leas-Cheann Comhairle: The Tánaiste, without interruption.

The Tánaiste: The various initiatives that have been taken will ensure a more affordable supply of housing. Home Building Finance Ireland, the new entity announced by the Minister, will provide finance at commercially competitive rates for developers with sites ready to go. The second local infrastructure housing activation fund, LIHAF, of €50 million will also make a difference. A whole range of initiatives is being taken that will ensure a more affordable supply of housing-----

Deputy Donnchadh Ó Laoghaire: What price?

The Tánaiste: -----next year and beyond.

Deputy Paul Murphy: As well as being budget day, last Tuesday was World Mental Health Day. It is a day of increasing importance, given the explosion of reported mental health problems in Ireland and right around the world. The World Health Organization estimates that by 2030, depression will be the largest contributor to disease burden. In Ireland, at least one in four people will have a mental health problem in the course of their lives, and for young people the figures are even more striking. By the age of 13, one in three young people will have experienced a mental health problem. By the age of 24, that will have increased to more than one in two. Tragically, Ireland now has the highest rate of child suicide of girls in Europe, and ten people die by suicide every week in Ireland. Why is this massive rise taking place? It partly relates to a reduction in stigma surrounding mental health and, therefore, a rise in reporting. However, it is also hard to avoid the conclusion that we face an epidemic of mental health problems or, as Mark Fisher put it, a mental health plague. There are multiple contributing factors but there is increasing recognition of the role of social and environmental factors. To be blunt, neoliberal capitalism has created a society with deepened, dramatic inequality. It has driven the atomisation of people and the breakdown of communities. These are the conditions in which, unfortunately, mental health problems thrive. The Royal College of Psychiatrists in the UK reported that inequality is a major determinant of mental illness. The greater the level of inequality, the worse the health outcomes. Children from the poorest households have a threefold greater risk of mental ill health than children from the richest households. This risk is particularly strong for those facing homelessness. A new study reveals the results for both parents and children are devastating and lifelong. The risk is strong for those facing oppression

such as young LGBTQ people, who are four times more likely to have mental health problems, and Traveller communities, which face suicide rates six times those of settled communities.

What needs to be done about this? The stigma needs to be taken out of mental ill health. We need to fight fundamentally for a society without alienation and in which people do meaningful work, have control over their lives and are connected to others in their communities. We need proper funding and staffing of mental health services right now. We need universal access to counsellors in primary care and 24-7 direct-access mental health clinics supported by round-the-clock telephone support, but we do not have this. We had A Vision for Change in 2006, which still has not been implemented. The Government's announcement in the budget of €35 million extra was not honest because €20 million of that was announced last year. It is an additional €15 million. I know the Government sent a letter this morning to Mental Health Reform stating that the money will be given and that A Vision for Change will be implemented, but I do not see the figures adding up. It is stated in the confidence and supply arrangement that A Vision for Change will be implemented.

An Leas-Cheann Comhairle: Deputy Murphy will have another minute.

Deputy Paul Murphy: The Government has only one more budget in which to do this. Will the Government take the crisis of mental health seriously?

The Tánaiste: Mental health and dealing with mental health issues must be priorities for any society. I absolutely accept the point Deputy Murphy makes in this regard because of the personal cost and the societal cost of mental health issues and the personal suffering. As a Government, we want to support in whatever way we can the development of proper mental health services throughout the country. A Vision for Change is the blueprint on which the Government is working. The funding has been increased substantially over the years, with more than €900 million in 2018 going on mental health services. The issue to which the Deputy refers is new funding for mental health services, and budget 2018 allocates an additional €35 million to develop mental health services in 2018. The figures published are accurate. The Minister for Health and the Minister of State with responsibility for mental health have also committed an additional €55 million in funding for 2019. This means a total of €105 million in additional funding for the implementation of A Vision for Change, which is due for review.

A review is ongoing because the policy is many years old. That total of €105 million in additional funding for the implementation of A Vision for Change over the three-year period 2017 to 2019 and that extra €35 million will help build on the work that was commenced in 2017 on the enhancement of what we need, namely, community care teams for children and adults, later life and mental health care, and intellectual disability services. It will also help to continue our move towards a full 24-7 service, with an initial focus on increasing the provision of services on a seven-day-week basis. The HSE has been asked to prioritise this in 2018. The mental health budget will rise from €711 million in 2012 to over €912 million in 2018. This is an increase of 28% in six years.

If the budget shows our values in terms of putting more money into mental health care, it is very clear that we absolutely recognise the need to increase the budget to have a proper mental health service for all our population throughout the country. The overall increase in 2018 in mental health spending will be just under €60 million when the €35 million for service development is combined with the €24 million in additional funding for pay increases. In finalising the HSE national service plan, there may be some adjustments to these figures to take account

of procurement savings or other HSE-wide efficiency initiatives. The budget will increase and fund more staffing in CAMHS, adult psychiatry and later life psychiatry. In addition, further resources will be provided to programmes for eating disorders, dual diagnosis, mental health of homeless people, perinatal mental health, prison inreach services, mental health and intellectual disabilities services and service users' participation. We can see there are significant increases this year, next year and the following year which meet fully the commitment for that €35 million per year. The total that has been decided will ensure the implementation of A Vision for Change is allowed for in those years. As the Deputy said, that has been given in writing to the HSE by the Minister, who has asked it to make sure it starts the staff recruitment that is necessary to have that development of the services.

Deputy Paul Murphy: Some 20% to 25% of overall ill health is caused by mental health problems but less than 7% of the health budget is going on mental health. The Government has played with figures. It played with figures last year in terms of mental health and has done the same in this budget, as opposed to properly allocating the funding to bring us up to the percentage levels that apply in other European countries. The latest figures this morning still do not make sense. There is an answer in the Dáil record in July from the Minister of State, Deputy Jim Daly, stating that just to meet the staffing gap in order to meet A Vision for Change requirements would cost an extra €128 million in a year. If we accept the €35 million figure, that would still require an increase for the next budget of €90 million, and that applies without dealing with any of the capital costs. To actually implement A Vision for Change, if the Government is not going to do it next year and will instead do it in 2019, it would need to allocate an additional €150 million next year. I do not see the Government doing that, although it should. The Government should spell out how the figures match up. If it is going to meet the staffing gap that has been outlined and identified by the Government, and allocate the capital necessary, how is it going to happen?

The Tánaiste: What is very clear in the budgetary figures is that the total figure for implementing those developments we have been speaking about under A Vision for Change has been costed at €105 million, and that is now allocated between the budgets going up to 2019. The Minister has made it absolutely clear to the HSE that this is the funding it will have so it can plan, prepare and recruit staff, and start that recruitment in time to make sure the staff are in place in each of the years. Obviously, that has already started for 2017, 2018 and 2019.

That is what it has been estimated it will cost but the Deputy should bear in mind what I have said, which is that this is just part of the funding for mental health services. There is also, for example, the capital investment that is being made in Portrane and there is the over €900 million overall in the Department of Health budget for mental health. There is a very serious commitment to the development of mental health services, although we also need to review A Vision for Change and that review is under way, as I have said. The Minister, Deputy Harris, and the Minister of State, Deputy Jim Daly, have written to the Mental Health Reform group confirming an increased allocation for mental health over the three-year period, 2017-19, and they will meet that group, which does such excellent work, in the near future to discuss plans for mental health. There is that key commitment for the budgets up to 2019 to ensure A Vision for Change is implemented.

Financial Resolutions 2018

Financial Resolution No. 4: General (Resumed)

Debate resumed on the following motion:

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

-(Minister for Justice and Equality, Deputy Charles Flanagan)

Deputy Tony McLoughlin: I wish to share time with Deputy Fergus O'Dowd.

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

Deputy Tony McLoughlin: I am grateful for the opportunity to address the House. As has already been advised by the Minister, Deputy Donohoe, Tuesday's budget will for the first time in ten years balance the national books and it does so while primarily supporting young families, improving people's lives, safeguarding our national finances and investing in our country's future. This milestone should not be overlooked when considering where we have come from in terms of the levels of borrowing needed to run our country. In many ways, it really is the end of the forgotten decade of cuts, forced emigration and austerity which followed the economic crash in 2008.

Overall, this budget is a safe and modest expansionary budget which will see €1.2 billion in spending and tax cuts being implemented. We will spend €60.5 billion as a country in 2018 but we are sticking to the careful approach we have taken with regard to public spending since 2011. This careful approach has helped us to reduce the risk of future financial crises being homemade. It has helped us to regain our feet following the crash and I am glad to see it continue in this budget. The boom to bust policies of the past have wrecked this country time and again and we do not want to see them return.

On the ground in my constituency of Sligo-Leitrim, this budget will have a wide range of benefits across local communities. For example, social welfare spending is up by €260 million, which means there will be a €260 a year increase across the board for all weekly payments from March 2018, including for carers, pensioners, jobseekers and the disabled in Sligo, Leitrim, south Donegal and north Roscommon. The Christmas bonus has also been retained at 85%.

With regard to personal taxation and rewarding work, this budget will ensure that middle income workers are modestly rewarded by ensuring that the point at which an income earner will pay the higher rate of tax is increased by €750 to €34,550. We will also reduce the rates of USC and increase the subsequent bands to ensure that all workers who will receive the increased minimum wage of €9.65 from January will not pay increased USC as a result. This is the fourth budget under Fine Gael in which the marginal rate of taxation has been reduced and it will continue to drop under our stewardship.

In health, we will see more nurses hired to work on the front line of our hospitals in Sligo, Leitrim and south Donegal. Some 1,800 will be hired nationally, with the health budget to be increased by €685 million to €15.3 billion. Prescription charges for the over-70s will be reduced from €2.50 to €2 and a new telephone support of €104 per year will also be introduced. There will also be a reduction in the threshold for the drugs payment scheme from €144 to €134.

In housing, additional resources are being allocated to fast-track the building of the local authority housing stock nationally and, in particular, in Sligo and Leitrim. This has further been supported by an increase in the funding for the housing assistance payment.

In education, this budget will deliver an additional 1,300 teaching posts in schools in 2018, along with an additional 1,000 special needs assistants in time for September 2018, bringing the total number of SNAs to over 15,000. This measure will ensure that the pupil-teacher ratio at primary level in schools in Sligo, Leitrim and south Donegal will be reduced to 26:1 for the first time in the history of the State.

The budget will also see the recruitment of a further 800 gardaí and 500 civilian staff in 2018, which will mean more gardaí on our streets and villages. Funding has also been ring-fenced for large Garda infrastructural projects, such as the new Sligo regional Garda headquarters, with a site location expected to be disclosed shortly by the OPW.

The N4 Collooney to Castlebaldwin road upgrade, mentioned on page 135 of the expenditure report, will continue to be funded, with an overall tender expected to be ready to go by the end of 2018. I await the statements from the Minister, Deputy Shane Ross, in this regard.

The earned income tax credit will be increased by €200 to further support our SMEs. There is a new €300 million Brexit loan scheme to support SMEs in accessing finance during the difficulties which Brexit will present.

In agriculture, a major industry in my constituency of Sligo-Leitrim, there will be a comprehensive €50 million Brexit response package announced for 2018, along with a specific €25 million agrifood loan scheme to assist with Brexit related issues.

I was also lobbied hard by farmers from the region about the areas of natural constraint scheme, ANC, and I am glad to learn that this fund will be increased by €25 million 2018. I am, however, quite concerned about the fact that, as it stands, the 6% stamp duty for agriculture land sales applies and I believe that this needs to be changed in the Finance Bill. I welcome this safe and modest budget for 2018 and I also welcome the ever improving financial situation which we have faced since Fine Gael has taken power and I look forward to more positive budgets in this regard.

Deputy Fergus O'Dowd: I must say that I am unhappy with the time allocation. I respect everyone here but backbenchers like me would like to speak for longer than the four minutes and five seconds that I have left, notwithstanding the fact that most of my speaking will be praising the Government.

Significant changes have been made in Ireland's unemployment figures, especially in Louth where there has been a 16% drop in the last year. This is very welcome indeed. Lots more families are working and family income is going up. Older people will have an increase in their pensions. Disability allowances and benefits will increase.

There is increasing confidence in Ireland. Having come through the roughest of times and the most difficult of times, particularly for poorer families and those who lost their jobs, there is confidence that Ireland is undeniably and absolutely on the right course. I very much welcome the decisions that the Government has made in the budget. It is a sign of the times and is the way things are moving forward incrementally.

In education, I welcome the reduction in the pupil teacher ratio, especially as it relates to younger students. They will learn more and learn better if classes are smaller.

I welcome the commitment made in the budget to the Laytown-Bettystown link road, approval for which was given in 2016. This will commence as soon as the approvals are sought. I am disappointed that the Ardee bypass has not been announced, and Deputy Breathnach had better back me on this. It is very badly needed. The town of Ardee is expected to double in size. The capacity of the sewerage system there has been increased from 5,000 to 10,000 population equivalents. Over the next years Ardee town is going to grow phenomenally. If we do not have the western bypass of Ardee then the town will come to a shuddering and unacceptable halt. I want to make it clear that people are very unhappy with this. It is the view of my constituents and it is my view and, as everybody knows, Councillor Dolores Minogue will be very cross until this bypass is announced. She is a very active campaigner who lives in the town.

The biggest need in the State is housing. I welcome the significant increase in the budget for housing. I am, however, disappointed that the empty homes tax was not included in the budget. It ought to have been included and it is essential that it happens, even though there might be a dispute over the numbers of houses that may or may not be vacant. There is undeniably a significant number of houses in rent pressure zone areas that are empty, have been empty for more than one year and are not principal private residences. We are definitely encouraging the owners to let the houses through an additional allowance in the budget relating to pre-letting costs. More pressure could be put on those who do not need the homes for themselves so the houses could be put on the market and made available for families who are living in hostels and hotels.

The Ardee bypass and the empty homes tax are the key minuses I see in this budget. They should have been included. I do, however, welcome the progress that has been made. County Louth has benefitted significantly from the return to economic prosperity. My concerns about the Border and about Brexit are shared by the Government and by all Deputies in the House. I hope that the impact of Brexit, no matter how soft it might be, will not have a negative impact on our local economy. I welcome the Government's line that it is up to the British Government to define and defend its proposals. It is not Ireland's job to find the solution for them. The answer is that there must be no Border. For our economy North and South to continue to grow, Northern Ireland must remain part of the common travel area and must remain part of the customs union.

Deputy Declan Breathnach: This could be called the Mary Poppins budget. Mary dons the umbrella with the rainy day fund while the Minister for Finance, Deputy Donohoe, sings "A Spoonful of Sugar" makes the less popular measures go down.

Many of the measures in the budget are positive, such as an increase in the number of teachers, gardaí and additional guidance counsellors for secondary schools, further funding for social housing and trebling of the National Treatment Purchase Fund, NTPF, to tackle hospital waiting lists. Many of these measures are testament to Fianna Fáil's input.

I am, however, disappointed that the Government has overlooked the issues facing people with disabilities and their families. Fianna Fáil pushed for increased investment to assist those with disabilities but, when we look under the cover of the budget, unfortunately the Government has only allocated a measly €15 million in additional spending in this area out of a total available funding of €1 billion. Additional funding is going to be needed in this area. Both of the Ministers have been informed on many occasions in the House of the severe hardship

endured by families in Louth and across the State about severe shortages or non-existent respite care places. Funding must be found for this. I am aware that this area can be engaged in further during post budget talks. Fianna Fáil will aim to ensure that this year's HSE service plan will reflect our priorities in this area.

Consider occupational therapy in Louth where there is a severe staffing problem. Three therapists are on maternity leave and there have been no replacements. Severe staffing shortages in critical areas right across all sectors, be it education, health or the local authority, will inflict damage in trying to create what the economy needs across these sectors.

I welcome the extra funding for the NTPF and that it is being greatly increased to try to deal with the severe numbers of people on hospital waiting lists. I ask the Government and the Department of Health to examine further the cross Border health care initiative. I believe this is not promoted properly and that many people in doctors' surgeries are not even aware of it or that they can avail of it.

Many people will say they are happy with the price increase on cigarettes. I have no difficulty with that because it is a good health measure. I have been working with Retailers Against Smuggling and any further increases in the price of tobacco products will further exacerbate the increasing smuggling problem and cross Border trade. This will impact on retailers and small shops south of the Border and in the major city areas where there is widespread sale of illegal cigarettes. Ireland already has the most expensive alcohol and tobacco products in the EU and further increases in excise will only serve to drive trade across the Border where they are likely to buy other products besides cigarettes such as alcohol. This will detract from the trade of our business people right along the spine of the Border. In this context I encourage the Government to bring forward the Sale of Illicit Goods Bill 2017, which I introduced on First Stage in the Dáil. It is more important than ever that this Bill would go to Second Stage and be teased out, especially in the light of Brexit. As I said yesterday when speaking on the financial measures in the budget, its shaky cornerstone is stamp duty on commercial property. While I recognise in particular that there are concessions for young farmers in the consanguinity rights on transactions, small to medium farmers buying lands to expand their farms should get a concession in any discussion post budget. All one has to do is look at the *Irish Farmers' Journal* today to see the angst and concern arising from this issue.

The housing measures which have been announced are repetitive. We heard about many of them before the budget, in which they are simply contained. In that context, I commend Fianna Fáil's Vacant Housing Refurbishment Bill 2017. I am concerned that we have in excess of 2,500 civil parishes in rural Ireland in which there are up to ten rural properties, respectively, which could be brought back into use. There are thousands of properties out there that could be brought into use through a little bit of concession in county development plans. It should be possible to explore the technological solutions in particular for properties on less than half an acre. My experience in a local authority context is that one cannot build unless one has a half-acre site, but most of these properties could be brought back into use with a little bit of ingenuity around technology.

The reduction in the pupil-teacher ratio to 26:1 is most welcome. However, we have to be straight up with parents and acknowledge that this includes resource teachers. There will still be classes of up to 30 pupils at any one time.

Increased funding for low-income farmers through the areas of natural constraint scheme

12 October 2017

and low-interest loan packages is welcome but the increase in the earned-income tax credit does not go far enough and continues to discriminate against self-employed workers as against PAYE workers.

I ask the Government to ring-fence a percentage of funds for tertiary or third class roads. In many counties, including my own, not one penny has been spent on local authority roads which are culs-de-sac. While we have introduced an LIS scheme which is most welcome, it is only for non-county roads. As such, we need to deal with it.

Fianna Fáil's input has made this a fairer budget. We would like to see greater spending, but there are many in the House who hurl on the ditch while failing to participate in government. They will promise the sun, moon and stars, but one will have to go up for those.

Debate adjourned.

Visit of Finnish Delegation

Acting Chairman (Deputy Bernard J. Durkan): Before proceeding with the Order of Business, I extend on behalf of the Members of Dáil Éireann and myself a most sincere welcome to a delegation from the Finnish Parliament, the Eduskunta, led by Mr. Ari Jalonen, chairman of its Transport and Communications Committee. I hope they find their visit useful and to our mutual benefit.

Financial Resolutions 2018

Financial Resolution No. 4: General (Resumed)

Debate resumed on the following motion:

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

-(Minister for Justice and Equality, Deputy Charles Flanagan)

Acting Chairman (Deputy Bernard J. Durkan): I call Deputy Niamh Smyth. Her time has not been interfered with.

Deputy Niamh Smyth: I am disappointed that the Minister for Culture, Heritage and the Gaeltacht, Deputy Heather Humphreys, is not here and I would appreciate it if the Minister and Minister of State opposite, Deputies Shane Ross and Patrick O'Donovan, respectively, would relay to her my thoughts on the budget.

As spokesperson on arts and heritage, I looked forward with real expectation to budget 2018, hoping for a new era for the arts, as did the arts community more widely. The budget was to see the fulfilment of promises made again and again in the most public and high profile way to put culture at the centre of Government and public life. It was to be a real beginning of a new era, not simply in terms of financial allocation, but in terms of political prioritisation and,

above all, real respect. I ask the Minister, Deputy Ross, if he has time to listen to me. It is very important for the arts. This is a huge portfolio on which a lot of people depend. At the heart of the issue of how this budget is being received by artists is not money, rather it is respect. During the recession, cuts came and artists bore them. Arts organisations made do with less, but got on with it regardless.

Being an artist is not a job. It is not a career. It is a vocation. One does not give one's life to art to make money; one makes art for life. It is the innate drive that inspires every artist. In experiment, failure and, occasionally, in success, astonishing works of art are made. Arts and culture are essential to living a full life and they have much to offer our communities. Ultimately, they make for a better society. Arts and culture are essential to positive citizenship and give language to thoughts we otherwise could not articulate. In Dáil Éireann today, we are speaking of the economy. Behind this budget are volumes of reports and years of events. Can anyone think, however, of a more profound or truer summary of the recession we went through and what led to it than Donal Ryan's great book, *The Spinning Heart*? In this decade of commemoration, has any history been written that equals, let alone surpasses, Seán O'Casey's trilogy of great history plays? Where else but in art, song, fiction, visual art, music and dance can we really find the means to articulate great joy or awful grief? Art is essential to citizenship, but we cannot articulate what we really feel and think about it. It is essential for life.

The expectations of artists around this budget were based on the belief in promises solemnly made and that the Government too shared this profound sense of the vitality and potential of art, and of culture more widely, in our life. The expectation was that a fractured, almost broken relationship, was to be repaired. The expectation was that Government had at least listened to and genuinely heard the real pain within the arts, not just as to monetary cuts, but on foot of a sense of disrespect. The expectation was that bygones would be bygones. The expectation was that there would be a new beginning. These expectations were not just about money, but, much more importantly, about real feeling and genuine respect. This was expected to be, at last, a new and happy day. It was not to be. The bare fact of budget 2018 is that the allocation has not matched the announcement. The deeper truth is that artists feel, yet again, that they have been used as a platform and a backdrop to enlarge a State that has little or no real feeling or respect for them at all.

In the summer of 2014, there was a sudden and unexpected promise of a national cultural policy. Years have gone by, but nothing has appeared. The promise of a national cultural policy was, in any event, overtaken by the plan for Creative Ireland. This great public brand-making and festival of announcements, glossy documents and videos would be the vehicle and the means to put culture at the centre of national life. Some were concerned that against an insidious use of the arts as backdrop for political projects, Creative Ireland had no clear or effective governance. There was no transparency about how spending decisions were made. The Minister will recall that I asked, on many occasions, how the allocation for 2017 could be accessed by arts organisations, whether there was an applications process and what the criteria were. There were none. There was only a political project, albeit one that held out hope and which promised an enlarged budget. We waited, but we have been disappointed and artists are dismayed. The chair of the Arts Council spoke for all when she expressed her deep disappointment at the paltry increase for the council, which is the main and essential support for the arts in Ireland. The council's grant for 2018 will go from €65 million to €68 million, which is stand-still money representing an unrealised expectation. The announcement of Creative Ireland remains just that, an announcement. It now lies with the national cultural policy in a field

of unrealised expectation.

I will not use my own words, but will quote instead words used by the National Campaign for the Arts, or NCFA:

The National Campaign for the Arts today expressed deep disappointment at the minimal increases for the sector in Budget 2018. This is despite the Government greatly raising expectations in the last year through its high-level initiative Creative Ireland whose stated aim is to raise the priority of arts, culture and creativity across Government, and the Taoiseach's campaign pledge to double investment in the sector.

This is not political comment. It is a real reaction and it conveys genuine hurt. The NCFA went on to say:

Budget allocations to key organisations are modest, in particular the Arts Council moving from €65 million to €68 million, an uplift of just 5% compared to last year's increase of 8%, and equally disappointing in percentage terms compared to Culture Ireland's increase from €3.5 million to €4 million and the Irish Film Board from €16.5 million to €18 million. These figures fall far below expectations.

They are the bare facts but they do not convey the sense of hurt and disbelief at broken promises. The arts today remain on the sideline; they are not at the centre. There is a fundamental attitude of disrespect. The Government parties see the arts as an occasionally useful platform, but have no fundamental regard or feeling for them at all.

Those at the centre of the Creative Ireland project are now at the centre of the Taoiseach's political communications project in Government Buildings. It was a seamless passage and an apt one. From attempting to undermine the independence of the national cultural institutions, to promising a national cultural policy as a diversion, to creating Creative Ireland as a cadet school for the biggest show in town, which is Government Buildings, there is a consistent train of thought. It is of the artist as an extra in a world that sees politics as show business, and in which the ultimate political aspiration is to be star of your own movie. The multiple video clips of Ministers "performing" as politicians over the past few days were a cartoon of politics. It is a caricature of what was promised to artists and the creative industries.

Deputy Lisa Chambers: Budget 2018, like any budget, presented choices to Government. Those choices centred on how best to distribute available resources. It was clear in the run-up to this budget that there were not significant resources to be spent but, nevertheless, we must always endeavour to spend what is available in the fairest way. However, much of the conversation by the Government in the run-up to this budget was how to cut taxes for higher earners while forgetting those most vulnerable and those on the lowest incomes.

We face huge pressures in the areas of housing and health, in particular, with 8,000 people in emergency accommodation, more than 3,000 of whom are children, while there are 680,000 on hospital waiting lists. It is incredible to think that we had to fight to convince the Government parties of the need to maintain a 2:1 ratio of investment in public services to tax cuts. I was deeply concerned by the overwhelming focus of the Government and, in particular, the Taoiseach to increase tax bands at all costs. It was the key tenet of the budget and appeared to be the most important thing for An Taoiseach, more so than investing in our public services. No one opposes alleviating the tax burden on citizens but when the ESRI warns against such cuts in the context of a housing and health crisis, we have to ask whether the right choice was made.

On the contrary, Fianna Fáil advocated for, and was successful in achieving, a reduction in the USC. This tax reduction will reach far more people, in particular those on the lowest income. This is clearly a much fairer way to apply a tax reduction.

The key revenue raising measure in this budget is the increase in commercial stamp duty from 2% to 6%. I have a concern about this measure and I acknowledge that I am not the first to raise it. This tax is being used to fund permanent spending on public services but it cannot be said to be a reliable long-term source of tax revenue. One of the criticisms of budgetary policy during the boom was the over-reliance on unstable tax revenues from the construction sector to fund long-term spending on public services. I am concerned that using commercial stamp duty to fund an increase in spending on public services is similar to the budget policy once criticised by Fine Gael. We cannot rely on commercial stamp duty providing a sustainable return to the Exchequer and it is also difficult to predict the annual yield because such a tax is based upon a transaction rate that we cannot be sure of.

There are glaring omissions and failures on the part of the Government to address key expenditure issues in the budget. The Minister for Finance has described as “bonkers” the ongoing pension issue for many women who find themselves in a position where their pension entitlements are severely reduced because they took time out of work to care for their family. Some women are losing as much as €35 per week. It is worth noting that some of them, due to the old marriage ban, were forced to give up their job but now they find themselves being punished while the value of their work in the home has been diminished. Those women deserve an answer from Government as to why this issue was not addressed in the budget. This brings me to the issue of affordable child care, which affects many women and families across the country. I welcome the improvements in this regard but the Government is moving at a snail’s pace in addressing this issue. For many families, child care can often be a greater expense than their mortgage, which is difficult to believe, and it is often cited as the greatest barrier to women remaining in the workplace or returning to the workplace. Financially, families are often better off if one parent stays at home rather than footing a colossal child care bill. As I said earlier, regarding choices, the Government parties, despite all their talk about helping working families, chose to focus on increasing the tax bands and, by their own admission, the average family with two working parents might secure an increase of €600 per year in their pockets. This amounts to approximately €4 each per week per person. Given some families fork out €2,000 per month on child care, could better choices have been made to distribute resources?

In the area of housing, there is no doubt that the legacy of this and the previous Government will be their abysmal failure in providing homes for our people. Under their watch, they have allowed record numbers of individuals, families and children to become homeless, the social impact of which will be felt for many years. They hid behind the excuse that there was no money and, therefore, houses could not be built, whereas at other times in the State’s history when resources were limited, houses were built. In the 1930s and the 1960s, we made choices to prioritise housing above other areas and homes were built. People of my generation have given up on ever owning their own home. I do not say that to be dramatic or to over-egg this but it is the reality. I say this in the context of spiralling rents, lack of rent controls and an assertion that an affordable starter home should cost between €400,000 and €500,000. That is not an affordable home and the sooner people stop suggesting it is, the better.

Where do I start on health? I refer to my constituency of Mayo. Currently, more than 500 children are waiting for speech and language therapy, and 393 are waiting for physiotherapy appointments. This is due to a lack of staff. Even if the vacancies were filled, demand would

still not be met. Once again, the children of the State are being let down when it comes to accessing basic health services.

I refer to my portfolio of defence. I am deeply disappointed at the lack of investment in this area. A 2% increase in the day-to-day defence budget is pretty derisory, especially when the 4% increase in Army pensions is taken into consideration. The budget means that our defence spending will yet again fall relative to national income. GDP growth is likely to be at least 4% next year, which is welcome. In 2012, defence expenditure amounted to 0.55% of GDP compared with 1.17% in Sweden and 1.47% in Finland, both neutral countries. That total, of course, includes Army pensions. When they are excluded, defence spending amounts to just 0.25% of GDP, which is exceptionally low. Ireland lacks the minimum conventional capability to provide a credible defence and with the mass exodus of soldiers from the Defence Forces, the budget says to them that the Government does not value them, it will not invest in them and it is not taking the crisis in defence seriously.

Deputy Michael Fitzmaurice: I am grateful for the opportunity to contribute to the debate. The budget is basically built on shaky foundations. It is like a three-legged stool with one of the legs badly cracked. The budget is built on generating an additional €360 million from stamp duty, yet we can see already the problems this is causing in certain parts of the country and for certain people, especially in the farming community. I will deal with that in more detail later.

I will first deal with the positive developments such as the provision of additional teachers, gardaí, SNAs, and front-line staff in hospitals, which is welcome. I hope when we examine the figures this time next year, they will reflect these increases and these additional staff will not just be replacing retirees. We will count these figures at the end of next year to see if these staff have been delivered.

I welcome the increase in the old age pension. It may not be a lot but it is at least going in the right direction. I also welcome the increases in the FIS and the telephone allowance. Many people wear a pendant and if they get into difficulty or have a fall, they can press a button and emergency personnel will come to their aid. That increase is ferociously important because some people were walking away because of the costs associated with the pendants.

I also welcome the decision to leave the corporation tax rate as it is. I checked in on what was happening in Strasbourg over the past few days to see what Mr. Juncker was saying. The French President, Mr. Macron, and a few other leaders are pushing for changes to the corporation tax regime and I hope Ireland will stand up and be counted in this regard.

It is welcome that a fund is being put together for builders. At present, there are vultures who are charging builders up to 15% interest and a share of the profits. However, we should keep the funding of this in-house. I have been contacted by several credit unions. Credit unions currently have €15 billion to €16 billion in accounts around the country and they are anxious to get on board with this. I am aware that the credit unions were consulted when the programme for Government was being negotiated but, oddly enough, there has been no movement since. If anything, the Government has gone backwards in helping credit unions. Whether we like it or not, the banks have walked away from most rural areas. People cannot even get change in some of them and they wonder if they are going into a confessional box in others because one can see nobody unless one goes into a room. We have to reach a position where the credit unions are given the freedom to be the banks of 25 years ago, where one could say “hello” to somebody and where one could be facilitated in

1 o'clock

whatever one was seeking. That freedom must be provided, especially in view of the amount of money they have. The first step in that regard relates to the €750 million from a fund in Europe. That money, and even €1 billion, is freely available in credit unions. In fact, there is €7 billion or €8 billion available immediately in credit unions. That should be used because at least the dividend from it is helping somebody in Ireland when the interest is paid. I ask the Minister to consider that.

On the housing measures, houses are not going to be built overnight. As I have said repeatedly, no council is fit to build houses because councils do not have the resources or the staff. Second, consider the number of vacant houses. In this country we do not have a bull's notion of how to get a subcontractor in, have everything priced as the work proceeds and have something turned around in a month or two. There are houses that have been left vacant for years in every county in the country. They could help the housing situation. Whether one is a Minister or otherwise, this is not a light that one can just switch on. We must ensure that there is delivery. Unfortunately, we are great at policy. I have read five or six policies over the last few years. Ultimately, however, people who are good at policy do not know how to deliver. They are a different breed of person. Unless we go down the road of delivering, we will get nowhere.

The pensions issue is very disappointing. Many women gave up work to rear families but now that they have reached pension age they have been left behind. A budgetary measure in 2011 has put them in this situation. These people are now classed as second class citizens. Their stamps are divided by 50 and they end up with perhaps half a pension. We should appreciate that these are people who gave up work to bring up another generation. As bad as child care is at present, that facility was not available at that time. It should be the Government's priority to ensure that these people are treated as equal citizens, given their sacrifice and what they have done for this country. That is most important.

The Minister for Transport, Tourism and Sport is present. With regard to roads, perhaps the Minister for Finance was only referring to a few areas but it was interesting to hear him mention Osberstown and an extra lane for the M7. That is undoubtedly necessary because I travelled that road lately beyond Naas and it is chock-a-block. The Acting Chairman, Deputy Durkan, will thank me for saying that. The Minister also referred to a new connection for trains in Dublin. What is worrying is that I heard of nothing for the west of Ireland. Many people have lost their lives on the N4 while works are required on the N5. A ring road around Galway is needed. The new M6 motorway is a magnificent piece of work. However, it is built and we must move on from that and ensure that where it finishes there is an interconnection of roads to Knock and Charlestown to let other parts of the country develop as the areas around Dublin have. I am not saying that Dublin does not need infrastructure. However, all the Deputies in the west attend meetings with businesses once or twice a year. These businesses are run by people who are creating jobs, employing people and keeping them in their local areas. When one hears those people say that up to 20% of their goods are damaged because of the roads, that is worrying. It is tougher to bring businesses to those areas if there is no infrastructure.

We also need broadband infrastructure. I do not know what the current position is but we appear to have been getting ready to roll it out for the past 18 months or two years and we are no further advanced. All I can see in that regard is that it now appears that one company will have a monopoly, which is not good.

With regard to renewables, we hear lovely statements about Ireland getting greener. There is a budget of €17 million of which €10 million will go on electric cars. They will be suitable

in and around cities if one drives 4,000 km or 5,000 km per year, but let us be realistic about the situation in rural areas. At present, gas is the only alternative and that costs extra money. The Government must lead from the front with regard to transport. If one has ten buses at present and one wishes to change them or buy new buses, one will get about eight, but the running costs for them if they are run on natural gas will be much lower. A front-loading budget must be provided. One leads by example. It is no good taking advantage of people living in rural areas by telling them that they must buy this, that or the other to be greener. They might not be able to afford it and they do not have a public transport service where there is a bus or taxi service available when they leave the house. We have to start living in the real world.

As regards the renewable heat incentive, RHI, there is a sum of €7 million to be shared. In the case of biomass, I believe we are letting Bord na Móna head off to Georgia to set up a plant there. It will have the benefit of an Irish RHI being transferred to it. The product will be shipped back and we will burn it at 40% efficiency. That makes sense for whoever came up with that brainwave. The RHI for biomass, biogas and wind is €7 million, so it will not shake up the world despite all our talk about so-called climate change.

Turning to agriculture, Deputies will recall that I sought €25 million for the ANC scheme. In fairness, that has been delivered and I welcome that. The sheep grant was also delivered. In the case of the loans, the €300 million in the budget could be increased to €500 million if we did a deal with the credit unions to fund it and the Government provided a backing system. However, there is one issue that must be tackled. I am currently inundated with representations from people from all parts of the country whose loans have been sold by the banks. The vulture funds are taking over. It is widely reported that they have bought most of these loans from the banks at 30% and 40% and now they are trying to skin the cat by looking for 100%. There appears to be no talking to them. The people involved cannot get money anywhere else. At a time of recovery in the country we must ensure that part of this loan fund is given to those people, so we can buy those loans back and set them up once and for all at realistic figures.

Whatever has to be done to put a stop to what vulture funds are doing, it should be done because this is a downright scandal.

As Deputies will be aware, the increase from 2% to 6% in the rate of stamp duty on commercial sales is the main talking point of the budget. I spoke to many people involved in agriculture yesterday. I am not saying the Minister tried to do this - it may be a consequence of trying to tame the vulture funds - but farmers have been caught in the crossfire. Most farmers are not inclined to transfer land until they are at least 70 years of age or maybe even 80 years old. Unfortunately, the children of farmers who may be 37, 38 or 40 years of age have been caught in the crossfire of the increase in stamp duty.

I found out today that when a farmer transfers assets it becomes problematic on the deed of transfer with entitlements. This will cause serious problems in rural areas. Moreover, if shares in a co-operative are being transferred and the special criteria, namely, that the recipient must be under 35 years or the transferee must be under 67 years, do not apply, the parties will also be in trouble. I tabled a reasonable amendment the other night but unfortunately no one had the good sense to accept it. We must level the playing field on this issue in the finance Bill. I will table a further amendment on the matter.

The budget has another worrying and possibly unintended consequence. Rural Deputies will have seen many businesses closing in their localities during periods of recession. Depu-

ties from all parties try to encourage people to buy or set up businesses in our local areas. In fairness to the Government, it has introduced incentives to do this. However, a further consequence of the increase in the rate of stamp duty is that it will also affect people in rural areas who decide to buy a business. They may have only set out on the road and may only have a few employees. If someone buys a business that has closed and starts a new business within six or nine months, the company will generate revenue, create employment and pay VAT. I propose that a rebate should be provided in such circumstances, provided a business is reopened within six months, similar to the rebates that apply and which I support in respect of housing. Without such a measure, the increase in stamp duty will stifle property purchases in smaller towns.

The Minister spoke of the stamp duty increase generating €360 million of revenue. Sometimes one has to lose or spend a euro to make €2. From what I can see, however, this measure will stop investment. That is my concern. I am aware of a case where a great deal of work was done trying to persuade a person to buy a business which had been closed for eight or nine years. In fairness to the individual in question, he took a punt on the business but unfortunately the measure the Minister introduced the other night will cost him more than €20,000. This is one of the consequences of the measure. I am not attaching blame as it may have been unforeseen but sometimes when one reaches for the stars, one hits something on the way up. Politicians have a duty to sort out this mess because it will stifle businesses. Like all politicians, I do not have much regard for vulture funds but this measure will hit small businesses.

I ask the Government to increase the loan facilities available. Credit unions offer an opportunity to do so.

I read that the budget for the Department of Rural and Community Development will increase by approximately 12%. The Department will receive the smallest budget of any Department, yet it covers the majority of the country.

Deputy David Cullinane: Hear, hear.

Deputy Michael Fitzmaurice: That is some decision. While I know other Departments also have a role in rural affairs, we must ensure the Department is given the armature it needs to make a sincere attempt to do its jobs right.

I note the Minister for Transport, Tourism and Sport, Deputy Shane Ross, is present. Councils are skint and do not have money for secondary roads. Will the Minister to increase funding for this purpose? Galway and Roscommon county councils do not have money for roads. People have to use roads to get to work. We cannot have potholes and overhanging hedgerows everywhere. Whether one lives in Broadhaven, Dublin, Donegal or Kerry, one is making a contribution. We must provide more money for roads. Everyone knows that roadworks are now being done more efficiently. The blacktop road surfaces currently being used last for longer. We should front-load road projects to ensure we have good quality roads as this would help generate business.

I ask the Minister to ensure road infrastructure is provided in the west, even as far as Westport in order that the Minister for Rural and Community Development, Deputy Ring, is sorted out. The Westport road, the Galway outer bypass and the N4, N5, N59 and Mallow to Cork road projects need to proceed. This is not a matter of local politics. The Gort to Tuam road is magnificent but Knock Airport is vulnerable for the simple reason that people can drive from Galway to Limerick in one hour. The journey to Knock takes longer because the road is poor.

We must ensure road projects in Sligo, Knock and other areas proceed.

Minister for Transport, Tourism and Sport (Deputy Shane Ross): I will probably take eight minutes, with four apiece for the three Ministers of State, so the Acting Chairman might stop me after eight minutes.

I will briefly respond to Deputy Fitzmaurice's remarks. I take the point he made regarding roads. This is a valid message which has been coming from all parts of the country for many years. I remind him, however, that the last time I saw him was a few weeks ago when I opened a magnificent road from Tuam to Gort costing €550 million, an enormous amount of money. The road was completed ahead of schedule and on budget. It is not all one way as far as roads are concerned and it must be acknowledged that there are good things happening.

Deputy Michael Fitzmaurice: I said that.

Deputy Shane Ross: I acknowledge the point made by the Deputy, however, and it is our ambition to achieve that. Over the next four years, we will have the biggest budget for roads ever given to any Minister and the west will get its fair share. It should be acknowledged, however, that the Government has been progressing fast and ahead of target with many roads.

For me, this budget is not for 2018 but for 2018, 2019, 2020 and 2021. What it portrays and paints is a vision of what Ireland will look like four years from now. I welcome it on that basis but also as a member of the Independent Alliance who expects to be here in 2021 when its effects are known, as do my colleagues, Deputy Canney and the Ministers of State, Deputies Moran and Finian McGrath.

Deputy David Cullinane: Do not forget the Minister of State, Deputy Halligan.

Deputy Shane Ross: And Deputy Halligan, who is not with us today.

Deputy Mary Butler: The Minister should not hold his breath.

Deputy Finian McGrath: Come on, Deputy Butler. Give us another one.

Deputy Shane Ross: The Department of Transport-----

Deputy David Cullinane: Is Deputy Finian McGrath leaving the country?

Acting Chairman (Deputy Bernard J. Durkan): One speaker, please.

Deputy Shane Ross: I also welcome it as the Minister with responsibility for the Department of Transport, Tourism and Sport, which now expects, perhaps with a little more confidence, to be around in 2021.

This budget is setting a record. The Department has secured the largest increase in capital funding of all Departments to 2021 at €7 billion, with more than €200 million for sport and more than €160 million for tourism. These figures are sobering, but they also portray a vision for and confidence in the Ireland of 2021 and beyond. I will point to something that shows great confidence, namely, the figure in the budget for us winning the 2023 Rugby World Cup bid. I hope that the House shares this confidence and affirms the provision, which itself endorses our vision for Ireland over the next seven years.

In the brief time available to me, I will outline a vision for what transport, sport and tourism

will look like in those years. I do not expect it to be acknowledged by the Opposition, but the Luas cross-city will open in the next two months. This significant achievement is something that the Taoiseach and the Minister for Finance, Deputy Donohoe, refused to abandon even at the worst of times. It will open at great capital cost, but it will be of considerable benefit to the people of Dublin and this country and contribute towards the removal of traffic from our capital city by taking people out of their cars, which forms part of our vision for 2023 and beyond.

On top of that, I recently announced - it was also announced in the budget - BusConnects, which will be a radical change in the way we transport people in the capital city. It will be introduced in the next four years. We will spend €750 million on this commitment to the type of infrastructure that we want for Ireland. It will introduce corridors that will move people around our capital city much faster than before, corridors that will be adjoined by cycling lanes. We will also see a DART expansion thanks to this enlarged budget. In 2021, there will be the commencement of metro north. It is not to be completed - I apologise to the House for this - until 2027, but it will be completed. The project is still being designed.

Cycling will also form part of the bigger vision. We have been criticised by many Deputies for not providing enough money for the switch to cycling that we wish to see. I have allotted €110 million towards cycling and walking over the next four years. The resultant changes will form part of the pattern that will emerge in the transport system, not just in Dublin. Some people called it a “modal shift”. I do not like that expression because I do not really understand it. What it means is moving people out of their cars and into public transport, but one can only do that by providing the necessary public transport inside and outside cities. That is what we will be doing, and that is what we are committed to doing. It involves spending the significant amounts of capital that we have been granted in this budget.

We have made renewed commitments to the environment in terms of electric vehicles. These will be essential and will change the face of transport in this country in the coming years. The pace of change has not been as fast as we would have liked, but the incentives that we introduced in terms of benefit-in-kind and others-----

Acting Chairman (Deputy Bernard J. Durkan): The rabble is starting to get restless, Minister.

Deputy Shane Ross: I am sorry, but I did not catch that.

Acting Chairman (Deputy Bernard J. Durkan): The remaining 12 minutes are being split into three lots of four minutes each.

Deputy Shane Ross: I must wrap up. I would like to discuss very briefly the priority that we have given in the budget to road safety.

The tourism industry will expand at unforeseen rates despite the fact that Brexit has arrived. We are not going to increase VAT. We will provide an extra €33 million for tourism product development and €108 million in all for capital spending. We are preparing for the world cup in sport. We are making a €60 million sports capital allocation, which is double the €30 million that was expected. We are reserving €50 million over four years for larger products.

Acting Chairman (Deputy Bernard J. Durkan): The Minister’s colleagues are getting restless.

Deputy Shane Ross: We are going to change the infrastructural vision for the country in the coming years.

Acting Chairman (Deputy Bernard J. Durkan): Next is the Minister of State, Deputy Finian McGrath. I apologise for that.

Minister of State at the Department of Health (Deputy Finian McGrath): The Acting Chairman will be flexible and give us some injury time towards the end of the debate.

I welcome the opportunity to contribute on this important debate on budget 2018. I warmly welcome the significant increases in public spending. These are the largest health, disability and education budgets ever, meaning more teachers, social care staff, nurses, gardaí and child care staff. That is already happening on the ground.

In terms of my remit, the allocation to disability services will increase to more than €1.763 billion in 2018 compared with €1.688 billion in the 2017 national service plan. This increased capacity will improve the quality of life for all persons with disabilities. The people whom the recovery has passed by constitute the most important sector of society that the Independent Alliance is concerned about. That is a major principle for the Independent Alliance. We have played a significant part in shaping the budgets for 2017 and 2018.

I mentioned the €1.763 billion investment in disability services in the social care area, but let us not forget the other disability aspects covered in the budget. There will be €1.7 billion for special education, which helps thousands of disabled children in our schools. There will be 1,000 additional special needs assistants. There will be 1,300 extra teaching posts. There will be a reduction in prescription charges for the disabled, who use a large amount of medicine. There will be a €5 increase in the disability and carer's allowances, the blind person's pension and carer's benefit.

Do we want to do more? Absolutely. That is what the Independent Alliance is about, namely, delivering for people who need the most and participating in government when it is not particularly popular.

Deputy David Cullinane: Including at Cabinet.

Deputy Finian McGrath: Please, do not deny the work that is being done step by step or the progress that has been made. Consider the UN Convention on the Rights of Persons with Disabilities, UNCRPD, and the extra €3 million that the Independent Alliance negotiated in recent days to set up the decision support service. This is another step forward under the UN convention. I remind Deputies that it was the Independent Alliance that included the convention in the programme for Government. It is the Independent Alliance that is pushing this issue every single day, and it is our intention to ratify the convention.

In this year's budget, the Independent Alliance negotiated €1.763 billion in funding for disability services, which is an increase of €75 million on last year's figure. The Independent Alliance is committed to people with disabilities and their rights. We are committed to investing in and reforming services and, above all, putting the person with the disability at the heart of services.

Minister of State at the Department of Public Expenditure and Reform (Deputy Kevin Boxer Moran): I thank the Acting Chairman for giving me time to speak on the very important

issue of budget 2018. Flooding is a huge issue that falls under the remit of my Department. Not one Deputy spoke about flooding during the budget debate. Nobody has come to my door to talk about flooding. Deputy Canney has not spoken yet. I assure the House that I have a sum of €432 million, which is a huge investment in flooding measures by the Cabinet. The funding for flooding schemes will increase from €45 million to €70 million next year. There will be a roll-out of more schemes to protect people in their homes. There will be €5 million for the minor works scheme which is very important to protect people. Everyone has talked about putting diggers on the Shannon. I am the first Minister in the House to put a machine on the Shannon since Queen Victoria. I have heard every political party in here talk about it but they could not do it.

Deputy Finian McGrath: Hear, hear.

Deputy Kevin Boxer Moran: They found reasons not to do it.

Deputy Shane Ross: Hear, hear.

Deputy Kevin Boxer Moran: The Independent Alliance put our stamp on Government and we are helping the people when it comes to flooding. Why? It is because I feel it from the heart. I have seen people suffer.

Another achievement before we came in here was to get a balanced budget. The people were fed up taking money out of their pockets. This budget has stopped that for the first time under the stewardship of the Independent Alliance. We have been in government for two budgets and we have brought a balanced budget. I can say one thing - it is great for the people of this country. There is criticism in the House. We will take that criticism but we have to take baby steps before we take giant steps and before we can run. We now see ourselves coming out of the bad days of recession.

The Minister, Deputy Ross, has spoken about tourism. In the programme for Government, we decided to bring back the lakelands brand. Thanks to the Minister, Deputy Ross, and my colleagues in the Independent Alliance, we now have the lakelands brand back for the people of the midlands in Roscommon, Leitrim, Longford and Westmeath. It is absolutely brilliant news.

Nobody has talked about my initiative of the working scheme for people aged 50 and over. People can say what they like but during the recession people - not all, but some - found themselves unemployable once they hit the age of 50 because employers took on people of a younger generation. For the first time, we will give €10,000 to an employer to take somebody off the dole for 12 months and give them a living wage. This is something that will be rolled out next year. It is something the Independent Alliance brokered and of which it is very proud.

People have talked about housing. I have a housing Bill to keep people in their homes. It is somewhat overshadowed by the talk in here about housing and the big investment. The heads of the Bill will be done by the end of this month. It is the same with my other Bill on sexual offences. The same thing is happening under the stewardship of the Independent Alliance. There has been a lot of talk across the House, but the only thing they could find in here to criticise was €5 million for a PR company. That is the way the budget fell to the people. I do not need anybody to dress me up. If you put a new suit on Boxer, it is still Boxer. I will fight for what I believe in, which is people and not promoting myself.

Deputy Seán Canney: How do I follow that? The first thing I want to say today is very

important as a Deputy from Galway East. I welcome the positive decision in the courts this morning on the Athenry for Apple project.

Deputy Finian McGrath: Hear, hear.

Deputy Seán Canney: Hopefully on Monday sense will prevail and there will be no appeals and we can get on with the job. It is positive news following the positive budget we have had this week.

I want to talk about rural Ireland. Deputy Fitzmaurice talked about roads and infrastructure. Two weeks ago, with the Minister, Deputy Ross, we opened the M17-M18. There are other projects in the pipeline. As well as that, we have projects that are of most benefit in the very rural areas such as the rural social scheme, the town and village renewal scheme and the CLÁR funding which is going out to the local authorities on almost a monthly basis. It is being used by the local authorities to do what the people on the ground have been asking us to do over the past ten years, which is to do the small things and do them right. It is not billions. It is creating a huge positive effect on these rural areas and towns and giving them the recognition they need.

I also welcome what the Minister, Deputy Ross, spoke about today, which is the doubling of the sports capital grants from €30 million to €60 million. It is an incredible feat and I thank him on behalf of the Independent Alliance and all the sporting organisations around the country because they will reap the benefit. Sporting organisations are the backbone of our society and they keep society going in a positive way.

We have not achieved everything in this budget but when we negotiated the programme for Government, the five members of the Independent Alliance set out an agenda for Government in conjunction with Fine Gael and other Independents. What we are doing at each budget is implementing the programme for Government. We will not do it all in one year or all in one budget. We have surprised a lot of people that we have put through our second budget in a very positive way. As I said yesterday and the day before, I look forward to working with Government colleagues to make sure we bring forward a budget next year that will be positive and will provide a belief we all need in our country and to make sure it becomes the best country in the world to live in and to raise our families in. I am proud to be part of a Government that is achieving that.

We have deficiencies in many places. The farming community is getting a €25 million increase in the ANC. The sheep grant of €25 million was brought in last year and will continue this year. They are positive things for farming. We have the introduction of an additional loan for farmers. In terms of Brexit, which is the biggest challenge we are facing, the budget introduced a loan scheme for SMEs to support them.

We all have challenges but we are facing the biggest challenge with Brexit. The difficulty with Brexit is it is very hard to quantify what the problem is because it is such a huge problem. We have to work together for team Ireland to make sure everything we can do will be done as a team to ensure that we get the best possible outcome for Ireland. In that regard, I welcome that we are increasing our diplomatic service across the world to ensure that we are promoting Ireland in new markets and places. I had the privilege of being in Canada, the USA and China on trade missions as Minister of State with responsibility for the Office of Public Works. People have a great respect for Ireland, but we need to be able to promote ourselves out there. What better way to do it than have our diplomatic services out there and to fund them in a way that

they can bring back the best benefit to this country. We have had ten years of austerity. This is the first budget which is balanced, as Deputy Moran said. As well as that, it is the first step in giving some sort of recognition to the people of Ireland, who got us out of the recession. I acknowledge that. As a member of the Independent Alliance and on behalf of the Minister, Deputy Ross, the Minister of State, Deputy McGrath, Minister of State, Deputy Halligan, who cannot be here as he is on Government business abroad, and the Minister of State, Deputy Moran, I say we are privileged to be in a position to deliver for the people of Ireland. Long may it continue.

Acting Chairman (Deputy Bernard J. Durkan): The next slot is Sinn Féin. The names I have here are Deputies Jonathan O'Brien, David Cullinane, Maurice Quinlivan and Pat Buckley.

Deputy Stephen S. Donnelly: I think we are next.

Deputy Pat Buckley: This is the second time this has happened to us.

Deputy David Cullinane: Settle down now.

Acting Chairman (Deputy Bernard J. Durkan): Is the speaking time being divided by three or four?

Deputy David Cullinane: Three at the moment, unless the fourth comes in.

Acting Chairman (Deputy Bernard J. Durkan): Deputy Jonathan O'Brien is on my list as well.

Deputy David Cullinane: Sometimes when I come into this Chamber I wonder if it is a Chamber where there is real political debate and honesty or is it something that resembles a night of "Live at the Apollo". Some of the speeches I have heard here today so far have been extraordinary. I will start with Fianna Fáil. I have listened to some of the Fianna Fáil speakers over the course of the past hour. I listened to the Fianna Fáil representatives who officially responded to the budget. On the one hand they say the tax cuts do not go far enough and then they say there should be more money for spending in health and education. They say we need more money to abolish the USC and we also need more money to invest in public services. They criticise the budget and they support the budget. That is what we have heard from Fianna Fáil since budget day. This is from the same party that did not produce an alternative budget or any costings on how it would increase revenue to pay for the things it calls for. Yet speaker after speaker waltzed into the Chamber, calling for increased investment, but with nothing behind them. They are frauds of the highest order and should be called out for what they have tried to do in this year's and last year's budgets. If they are going to call for increased investment, they should at least have the ability to say where they will get the money to pay for it and then produce the costings. Of course, Fianna Fáil has not done that and wants to have it both ways.

I listened carefully to what the Independent Alliance Members had to say; they have now all left. They all clapped one other on the back and congratulated themselves on how well they have done in the past couple of years and in this budget. The Minister of State, Deputy Finian McGrath, wrestled with his conscience and told us leading up to the budget that he was going to resign. We all knew he would not resign; it was all smoke and mirrors. He is still there whistling a different tune this week. He got no significant increase in disability services. There will be no increase to provide the additional child psychologists and the occupational therapists that

are necessary in Waterford, the part of the country in which I live. Nothing in the budget will bring about increased services for children with disabilities in Waterford, where children over six have no access to child psychology services. The Minister of State has not won a single concession there.

The Minister of State, Deputy Moran, claims the budget was great for the country and he mentioned housing. In reality the budget will ensure the health service will stand still because no additional funding has been allocated on top of what is necessary simply to provide the same level of services. What does that mean? It means more people lying on hospital trolleys for the next 12 months. It means that people who must wait up to two years simply to see a consultant will continue to be in the same position. There has been no additional funding.

Contrary to what the Taoiseach says, we provided for all of that money in terms of demographics, public sector pay and all the money that was necessary to stand still, plus an additional €400 million, which was in the Sláintecare report to which all parties signed up. However, while Fianna Fáil and Fine Gael can sign up to these reports when it suits them, they will not deliver on them. They will not put the money behind them to make it a reality. However, we did and we set out in our budget where we would get the money to pay for them.

There is no additional housing on top of the targets that were set by the then Minister, Deputy Coveney, in Rebuilding Ireland. There are no affordable homes. There is no urgency from the Government on housing. Every month for the next 12 months, figures will show an increase in homelessness and an increase in the number of people in need of housing. The Government will simply ask what more it can do. It had an opportunity at budget time to do something about it and failed to do so. It pandered to Fianna Fáil. It picked the worst of the policies from Fianna Fáil and Fine Gael; it did a little bit here on the USC and a little bit there on tax cuts for those who pay the top rate of tax. It all amounts to a couple of euro. In reality it means that we will continue with the crises in health and housing, which is not good enough. Far from what the Minister of State, Deputy Moran, said, it is not great for the country.

My portfolio covers foreign affairs, trade and Brexit. We have not done nearly enough to ensure we protect the State from Brexit. The money put aside for schemes is a pittance. The Government is still not doing enough in respect of the ongoing talks between the British Government and the European Union on Brexit. Mr. Barnier said today that the current round of negotiations will not move beyond the current position because insufficient progress has been made on the issues being discussed, including Ireland.

The Irish Government has a role to play in this regard. It must ensure that the entire island of Ireland is protected, that the Good Friday Agreement is protected and that businesses North and South are protected. It is not just about the ongoing negotiations; it is about the kinds of supports we put in place for exporters, including the people who live in the constituency of the Minister of State, Deputy Phelan, who depend on the agrifood sector. The same applies in my area; the entire south east is heavily dependent on agrifood. What supports will be there for them? There are businesses affected by currency fluctuations. Businesses exporting to Britain are looking to the Government for supports. The Minister of State and I recently attended a meeting organised by IBEC and the chambers of commerce. They made demands of all parties that they claim need to be met. I did not see any evidence of any of that in the budget, other than existing schemes dressed up as Brexit responses that are not really a response to Brexit at all.

We still have one of the lowest capital spends in the European Union and we are not playing

catch-up. The Government announced an additional €790 million, which is mostly standing-still money. We provided for an additional €1.6 billion. Despite all the criticism we hear from the Government about the fiscal rules and how they need to be changed and all the rest of it, one flexibility available to us is that we can smooth capital investment over a four-year period, which means for every euro we spend, only 25 cent is calculated in terms of the fiscal space. Even though we can front-load investment, the Government refuses to do so. That means less money for roads, flood relief, broadband and all the infrastructure that is necessary. Yet Ministers, Fianna Fáil Deputies and Fine Gael Deputies will stand up calling for increased capital infrastructure in Waterford, Wexford, Kilkenny, Carlow and all these areas. However, when it comes to budget time, they are not prepared to put their money where their mouths are.

For all of the waffle I have heard from the Ministers and the Fianna Fáil Deputies, the majority of people see the budget as a damp squib. What is in it for the State and for society? The test for the Government was whether it would actually do something about the real pressing issues affecting people. Housing and health are the two big ones. They are the issues that need to be dealt with and the Government has done precious little about any of those issues, which is to its shame.

Deputy Pat Buckley: I echo what Deputy Cullinane said. I wish to focus specifically on mental health funding. The budget made little mention of what funding would be available apart from a measly €35 million to be put into mental health services. Unfortunately the Government did not clarify if this was additional money or whether the €20 million announced in last year's budget would be carried over. Stories were buzzing all over the place on the evening of the budget. No one was given any proper detail at the press conference by the Minister and Ministers of State at the Department of Health on how much money would be put into mental health despite it having been raised. I do not believe any of the journalists even asked a question on it, which was very surprising. On budget night I wrote to the Minister's office asking for clarification and as of today I have still received no response, which is extremely disappointing given the position I hold.

Instead of telling the Dáil, the Government kept up the charade of the €35 million of new money until yesterday afternoon, when it finally admitted to some - although not to the Dáil or publicly - that €20 million of this claimed new money was actually announced in budget 2017. Therefore the actual increase in spending for this year is again €15 million, which is a paltry sum. If it is added up, it is probably €50 million over the past two years. A figure of €50 million might possibly be acceptable, because our budget submission, which was costed, proposed an additional €51.2 million.

I congratulate Mental Health Reform, which has made clear that a minimum of €35 million is needed each year just to cover the requirements in *A Vision for Change*, a policy that is now 11 years old. Other new developments are coming on board. I commend Dr. Shari McDaid and Ms Kate Mitchell of Mental Health Reform, who have done extremely valuable work.

I am very concerned about the new money promised for next year. I believe Fianna Fáil and Fine Gael have actually been caught out on this. It is like closing the stable door after the horse has bolted. It is practically useless. It is the old promises - if they keep telling a lie over and again, people will eventually believe it.

I have to be honest. We have heard titbits fired out about a republic of opportunity and about balancing the books. I will be very brutal and very honest. Is there a republic of opportunity

and are we balancing the books for the parents who have just buried someone whom they lost to suicide? Have we balanced the books for the pensioners who have spent two years on a waiting list for a hip operation? I cannot see a republic of opportunity in that. Have we balanced the books and given this great republic of opportunity to the young person who has to emigrate because he or she cannot afford to live in this country? It is absolutely ridiculous.

Fine Gael, Fianna Fáil and the Independent Members of Government sat in a room and hammered this out. I have listened to it all week and it amazes me that Fianna Fáil can criticise what it has supported in this Chamber. It is like baking a cake. Fine Gael and Fianna Fáil discussed the ingredients, they put them into a pot and they cooked it. Now they have started to taste it, Fianna Fáil does not like it and is giving out to Fine Gael about it. It is absolutely ridiculous. As has been said over and over again, Fine Gael and Fianna Fáil have normalised poverty and homelessness. They have practically normalised debt. The Government had the cheek to talk about supporting mental health in this Chamber last year. All it has done is lied. There has been cut after cut. We are black and blue from saying that Government must get a grip and accept the reality of this. If Members of the Government do not want to be inside the Chamber, they should get out. This is a place where work is supposed to be done. It is not being done. They come in here and talk the talk but when they leave the Chamber they shut their mouths. They say to themselves that they are grand and that they are safe now and will be back again. A person in suicidal form does not have a second chance. We, as elected representatives, might have a second chance to be elected next time around if we are lucky. People who present at accident and emergency departments on their last chance of survival do not seem to be a priority for this Government.

People have asked me what leads people to suicidal ideation. They are led to suicidal ideation by a Government which looks after itself and which looks after the privileged. It cannot figure out why people's spirits are broken. People's spirits are broken because the jobs are crap. They are extremely low paid and there is no chance of getting on the property ladder. There have been cuts to the health service, people emigrating, families breaking down and extremely long waiting lists in the health service. The Government calls this a republic of opportunity. This is a banana republic. The Government should be ashamed. When Members of the Government speak out of both sides of their mouths to satisfy the public, they are only fooling themselves because the people are not stupid. I hope God spares me and that I am re-elected. There are rumours of €18 million, €19 million and €20 million for mental health funding. I do not believe it. The Government is not made up of realists when it comes to helping people, but only when looking after itself.

Deputy Maurice Quinlivan: Deputy Cullinane began by saying that sometimes this Chamber is like "Live at the Apollo". When I hear what some of the Ministers have said in recent days, it is sometimes like a parallel universe. They think that people think this budget was good and that there is a perception out there that it was good. It is not. Someone on €20,000 will probably have an extra euro in their pocket. Somebody on €30,000 will probably have an extra €1.50. The biggest disappointment I have with this budget is the lack of measures being introduced to deal with housing, homelessness and the health sector. The dogs in the street know that there is a massive problem. All of the services are under pressure. There are massive problems with families being homeless and families having no chance of getting a home.

The hospital in my constituency, University Hospital Limerick, UHL, is at breaking point. A brand new accident and emergency department opened in May of this year and it has done nothing to resolve the situation. It has in fact got critically worse. Some 902 people were on

trolleys in UHL in September, which was the highest figure in the State by a country mile. The money allocated to the health budget will mean that services will, at the very best, stay as they are for this year. The situation will not get any better. Some 700,000 people are on waiting lists and thousands of people are on trolleys every month across the city. The number of homeless people has increased to more than 8,000, 3,000 of whom are children. The Government, however, decided that it would allocate €335 million to tax cuts. This money could have made a difference in addressing those problems, but Fine Gael chose a different path. Unfortunately, I do not see these problems being resolved before this time next year as a result of those decisions.

To address business, enterprise and innovation, I was not overwhelmed by the measures introduced, although the additional resources for Brexit and innovation are welcome. Additional funding of €400,000 for the Health and Safety Authority, HSA, however, will barely make a dent in that agency's requirement. At the beginning of the month, the CEO of the HSA said that it could need up to an additional 50 staff. This funding will only meet one sixth of that target. There was no mention of specific additional funding for the Office of the Director of Corporate Enforcement, ODCE, despite the public outrage earlier this year when the trial of the former chairman of Anglo Irish Bank, Seán FitzPatrick, collapsed due to the botched investigation carried out by the ODCE. The investigation was botched as a result of the lack of resources in that agency.

One major issue I want to raise is the minimum wage. I have raised this point in this Chamber on a number of occasions and it is something about which I feel very strongly. Sinn Féin believes in introducing a living wage and in this budget we suggested raising the minimum wage to €10 per hour as a move towards achieving this objective. Unfortunately, the small increase of 3% announced on Tuesday will do little to help workers who are struggling to make ends meet. Workers are not able to make enough on €9.25 an hour and I do not believe that €9.55 will do enough to help them with the incredible cost of rent, insurance and child care. The Minister of State, Deputy Halligan, previously described this proposal as "miserly", "derisory" and "quite pathetic". He went on to say that a liveable wage would not be reached with ridiculous increases such as this. It is quite pathetic. One would wonder how the Government decided on that figure. I completely agree with what the Minister of State said and I am disappointed that his colleagues in the Independent Alliance did not back him up and ensure the introduction of an increase of more than 3%. Fianna Fáil did not even mention the minimum wage in its budget document. This is no surprise as the last time it touched the minimum wage was to cut it by €1.

Another massive oversight in this budget is the fact that PRSI bands will not change in line with the minimum wage increase, meaning that almost half of the €584 which people on the minimum wage think they will get due to the 30 cent increase will in fact be eaten up by tax. The Taoiseach came in here yesterday waving around the Sinn Féin alternative budget. He did not, however, point out that on page 54 we allocated funding of over €20 million to ensure that workers and employers would not be hit with costs as a result of the rise in the minimum wage, which is something the Government did not do in its budget. Its budget will mean that people on €18,000 a year will see their effective tax rate increase by 1.4% while people earning €100,000 will see a reduction of 0.3%. That really says it all. The International Monetary Fund, IMF, is today calling on governments finally to start taxing the rich to help the poor. It is about time we started doing that in this country.

One issue of huge concern to me and on which I have campaigned for years is the issue of drugs and drug abuse in the country. I note the level of funding to drugs initiatives has remained static for 2018 despite huge problems in this area. I am well aware of the problems which drug

addiction is causing in Limerick and the mid-west and I am very disappointed that more resources will not be allocated to tackle this problem in 2018. The new drugs strategy which An Taoiseach launched in July will mean nothing and will fail if additional funding is not delivered to those on the front line dealing with the scourge of drugs in Limerick and across the State. I am on the board of the mid-west regional drugs and alcohol forum. We have experienced cuts of up to 50% since 2008. None of that has been restored.

The Minister of State, Deputy Kevin Boxer Moran, spoke about flooding. We have a massive issue with flooding in Limerick. We are waiting on flood defences to be built. The latest information I have is that it will be 2021 before they are built. There is not enough money in the budget to ensure that will happen. In our alternative budget we had allocated enough money to do so.

This budget is very disappointing. It fails to provide the substantial funding needed for the emergencies which we have - the housing crisis and homelessness. Fine Gael was clearly thinking of an election and not what is best for the country when it conjured up this budget.

Minister for Education and Skills(Deputy Richard Bruton): I am sorry to see Deputy Cullinane leaving before I get to deliver my response to his comments.

Deputy David Cullinane: I am sure it will be great.

Deputy Richard Bruton: The last speaker has it all wrong. If one reflects on the journey we have travelled, this is the best budget for the country. I remember sitting in here when unemployment was at 15%, borrowing was at 15% and interest rates were at 15%. Some 300,000 people had lost their jobs.

Sinn Féin's solution was that we should walk out on our debts. That would have made all those problems worse. There is not a single speaker on the Sinn Féin benches who will recognise that over the last few years, while they have opposed everything this Government has sought to do, we have brought unemployment down from 15% to 6%. We have brought the cost of borrowing down from 14% to 0.5% and less, and we have reduced State borrowing from where we could only raise moneys from the troika down to having a balanced budget, with a deficit of less than 0.5%. That is real progress and 228,000 people are now back at work under the policies of this and the previous Government. They are, by and large, working in very good quality employment; in IDA Ireland and Enterprise Ireland companies. While there of course are also people who are employed in lower-paid sectors, we have had four increases in the minimum wage since 2011, which is a very significant improvement. We have rowed back across all of those very difficult tax burdens that bound those people. The universal social charge, USC, has been consistently rowed back in the past three budgets. We have reduced the burden on hard-working families. That has made a difference to people who were put to the pin of their collar to survive in a very difficult period.

Sinn Féin cannot acknowledge any of that progress. What is more, their prescription for the economy for the future is just unsustainable. It has proposed a budget that would see, at the upper end of income, a 75% tax burden on higher incomes. There is not any economy outside North Korea that would consider it possible to grow employment opportunities by having taxes of 75% imposed on people at work.

Deputy Pat Buckley: That is fantasy.

Deputy Richard Bruton: That includes a 60% proposal for income tax and a further 15% to be paid by employers. The difficulty is Sinn Féin does not understand what it takes to create a fair society. One cannot create a fair society without also having a strong and sustainable economy. None of the policies put forward by Sinn Féin would support that. Over its track record, indeed, it has opposed everything that sought to do that. What the Minister, Deputy Donohoe, instead set out to do was, as he said himself, to safeguard our economy. He has restored balance to our books at a time when even Sinn Féin is recognising that we are facing threats. He has made sure that the growth in current spending is in line with the capacity of the economy so we are not repeating the mistakes that occurred in the early 2000s after we joined the eurozone when, year after year, the Fianna Fáil-Progressive Democrats Governments increased spending by 12% per annum consistently for a decade. That simply was not sustainable. People who express surprise that it came tumbling down must examine that. We were trying to expand our economy beyond its sustainable capacity and what is more, we were relying on a property sector that was unsustainable.

I would like to address the issue of fairness. We are all constituency representatives. We all meet people who come into our clinics and who would like to see improvements in health and mental health services. What we are doing is consistently making changes that are sustainable to bring about those changes. In my own area, which is particularly concerned with children, for a second time in three years we have reduced the class size at primary level. In the 18 months I have been in this post, we already have 7,000 extra staff in our schools, 5,000 of whom are teachers and 2,000 of whom are special needs assistants, SNAs. In the year to come, we will put in place another 1,300 teachers and 1,000 SNAs. Nobody on the Sinn Féin benches will recognise that this makes a difference to the very sort of people they are talking about - those who are under pressure. We put in guidance counselling. We expanded the National Educational Psychological Service to help people who are in stress situations. We rolled out for the first time a comprehensive well-being programme at junior cycle level and all schools are now developing a well-being strategy. That is laying down the foundations to deal with the sort of challenges that young people encounter. We have to have strategies to deal with this and I accept that we do. That is exactly what we are doing. We will have 9,500 extra people in our schools in the space of two years to help children to cope in a very challenging environment.

For the first time in as long as I can remember, we have increased the payment to people who are on low incomes, for their children. I cannot remember when that was last done in this House and I have been here a long time. Families on low incomes are entitled to support for their children. We are rolling out a child care support programme, which we never had in this State. Now every child will be able to access some support for child care up to the age of three. It is focused particularly on the lower-paid, who can access support of up to €7,000 per year. That is really significant investment in children for people who are low paid. It is really important that we recognise the progress we are making. We are giving two full years at preschool. That has been expanded repeatedly from what was one year to two years. We are building out the base of a long-term sustainable child care programme that will lead into better impact at primary school and passing on through secondary school. We talk about a republic of opportunity because we are building from the base, helping the families in the least well-off position to support their children. This year, we will again invest in DEIS, the programme for disadvantaged children. We continue to expand support for children with special educational need.

I will not take lectures about how one can change the fairness of our community. We are steadily making things fairer. Low-income pensioners lost the telephone allowance. We have

all knocked on doors and seen how people really felt undermined by that. Now we are seeing the telephone allowance come back, as there is an additional allowance of €2.50, as well as the €5 general increase and the €22.50 for the extra week of the fuel scheme. That is a genuine attempt to support low-income pensioners who have suffered in these difficult years. We are repairing the damage that was sustained over a decade but it is not going to be done overnight. It will not be done by introducing a 75% tax burden on the very enterprises we hope will strengthen us against Brexit and other challenges.

We have to future-proof this economy. That is something the Minister, Deputy Donohoe, has done very strongly. In my own area, we will have a 73% increase in our capital budget by 2021. That will allow us to invest in traineeships, apprenticeships, school places and all the things that build for the future in an education sense.

Minister for Culture, Heritage and the Gaeltacht (Deputy Heather Humphreys): I welcome the opportunity to address the House on the key budget measures I am introducing in 2018. I am pleased to announce a further package of over €300 million in 2018 to develop our cultural and creative heritage. I have also secured an additional €90 million in capital funding between 2018 and 2021. This increases my Department's capital funding by almost 50% over that period, which will allow for multi-annual planning for the first time. This points to the Government's clear commitment to incrementally increasing arts and culture funding over the coming years. It also acknowledges the enormous contribution that arts, culture and creativity make to our nation's fabric, identity and well-being. In 2018, my Department's budget will increase by €13 million, comprising €9 million in current expenditure and €4 million in capital expenditure. This includes an €8.5 million boost in funding for arts and culture to accelerate the Creative Ireland programme, which is designed to mainstream creativity in the life of the nation. Creative Ireland is a five-year all-of-Government programme aligned with Culture 2025 - Éire Ildánach, and framed within A Programme for a Partnership Government. The year 2017 has been one of extraordinary discovery as the programme engaged with communities the length and breadth of the country. I am delighted to be in a position to build on the positive engagement of the last year through allocating resources to arts, culture and creativity in budget 2018.

Of course, our heritage, language, islands and waterways are also vividly reflected in our cultural output. They mark our sense of identity as strongly as our literature, music, dance, theatre and art. In addition to their cultural merits, however, these areas make a significant contribution to supporting economic activity and employment across the country. This is the case both directly and indirectly through cultural and heritage tourism. The funding package I have secured for 2018 allows for increases across all programme areas. In broad terms, the 2018 allocation to my Department includes over €167 million for culture to accelerate the Creative Ireland programme; over €47 million for the conservation and protection of Ireland's built and natural heritage; over €48.5 million for the Irish language, the Gaeltacht and islands; and almost €40 million for North-South co-operation projects, including support for Waterways Ireland and An Foras Teanga.

It is an exciting moment for arts, culture and creativity from the opening of landmark exhibitions in our national cultural institutions to innovative community arts projects around the country. The Creative Ireland programme is already yielding positive results in both rural and urban communities with more and more people engaging with creativity than ever before. I am determined to build on this momentum in the coming year by prioritising funding increases to key institutions, agencies and initiatives which deliver arts and culture. The €170 million

culture budget for 2018 is targeted at increasing citizen engagement and creativity through the five pillars of the Creative Ireland programme. The Arts Council will receive an additional €3 million to enhance its support to artists and art organisations of all sizes. This represents a 5% increase to its annual budget, bringing it to €68 million, a 20% boost in funding since 2014.

I listened with some interest to the Fianna Fáil spokesperson earlier. I remind Fianna Fáil that when it was in government, it decreased the Arts Council budget by €18 million between 2008 and 2011. In 2011, it left an unmerciful economic mess behind it for which the people paid dearly and others had to clean up. That should be contrasted with what I have done since I was appointed Minister in 2014. I have increased the Arts Council budget by 20%, over €11 million. Action speaks louder than words.

Deputy Joe Carey: Hear, hear.

Deputy Heather Humphreys: I am allocating a further €1.5 million to the Irish Film Board to build on its vital work in supporting Irish film, television drama, documentary and animation. This increases its annual budget by 9% to €18 million, 29% more than it was in 2014. Although autonomous bodies, the work of the Arts Council and the Irish Film Board builds on the pillars of the Creative Ireland programme. I look forward to continued success in collaborating with them in the year ahead.

I was surprised to hear negative comments about Creative Ireland from Deputy Niamh Smyth. I felt she played the person, not the ball. I found her personal comments regarding members of the Creative Ireland team both unnecessary and unbecoming of a Member of the House. Nobody knows better than she does the great work the Creative Ireland team has done with local authorities. She was more than happy to attend the launch of the Creative Ireland plans in Cavan recently, which makes her contribution today all the more surprising.

Access to arts is the driving force of Creative Ireland, which is why I have allocated €1 million to commence the initiative. I am pleased this figure will be matched by the Minister for Education and Skills, Deputy Bruton, bringing the budget to €2 million for 2018. The initiative will be delivered in partnership with the Arts Council. For the same reason, I will double the arts funding to local authorities in 2018. This will harness the energy of pillar two of Creative Ireland, enabling creativity in every community which saw 750 events taking place across Ireland in 2017.

Culture Ireland will receive an extra €500,000 in 2018, a boost of 14%, which increases its budget to €4 million. The extra funds will allow my Department to deliver an enhanced cultural programme across Great Britain in 2018. This will build on both the unique relationship between our two countries and pillar five of Creative Ireland.

Our national cultural institutions will all receive increases in funding in line with pillar three of Creative Ireland. They will also be a priority in the €90 million capital investment I have secured between 2018 and 2021. A further round of the successful arts and cultural capital scheme is also planned for 2018 as part of this additional capital funding. This will improve and enhance our arts facilities across the country, in particular in rural communities. I will make further announcements regarding the €90 million capital funding for 2018 to 2021, as well as the longer term ten-year capital plan in the coming period.

I have allocated €47.1 million to my Department's heritage programme in 2018, including €36.7 million in current funding and €10.4 million in capital funding. Capital expenditure in

2018 will continue to focus on peatlands protection and restoration, along with the conservation and development of our built and natural heritage. I am increasing funding for the structures-at-risk scheme and the successful built heritage investment scheme, which will operate again in 2018. The focus on natural heritage will be threefold, namely the development and operation of the National Parks and Wildlife Service, on our nature reserves and continuing to meet our obligations under EU directives.

I am committed to developing North-South co-operation within the broader arts, heritage and commemorative activities of my Department, as well as through the funding for North-South bodies. Almost €40 million will support the two North-South implementation bodies, An Foras Teanga, comprising Foras na Gaeilge and the Ulster-Scots Agency, and Waterways Ireland. These budgets will be subject to approval of the North-South Ministerial Council in due course.

Up to €48.6 million will be allocated to the Irish language, Gaeltacht and the islands in 2018, comprising €38.1 million in current funding and €10.5 million in capital funding.

Each of the programme areas under my Department's remit will play a key role in the conservation, preservation and development of our unique cultural and creative heritage. I look forward to continued work on the programme in the coming four years, in collaboration with partners across the Government and at local, national and community level.

An Ceann Comhairle: Obviously, judging from the speed of delivery of that speech, Members are under pressure. I must point out this debate will not end today but it will be adjourned and continue next week.

Minister of State at the Department of Housing, Planning and Local Government (Deputy Damien English): Does that mean the Ceann Comhairle is giving us extra time? That would be great.

An Ceann Comhairle: I will give extra time for my intervention.

Deputy Damien English: Budget 2018 provides one of the biggest funding programmes for housing in the history of the State with over €1.9 billion to be spent on housing solutions next year. This, together with additional funding provided for later years, will ensure we are well placed to continue to build on the progress already made in meeting the diverse range of the housing needs of our citizens and deliver on the ambitious targets under the Rebuilding Ireland programme. If we stick to this plan and continue with this investment of money, we will solve the current housing difficulties.

The extra €600 million provided, a 46% increase in funding for next year, will allow us to meet the housing needs of some 25,500 households and to focus increasingly on direct construction. The additional €500 million in capital secured as part of the review of the capital plan will allow the overall Rebuilding Ireland social housing budget target to be increased from 47,000 houses to 50,000, the figure recommended by the all-party Oireachtas Committee on Housing and Homelessness last year.

The total funding envelope has increased from €5.35 billion to €6 billion. Such a significant commitment of taxpayers' money, the highest ever in the State's history, proves untrue the argument that the Government is not for building social houses. There is a range of measures to tackle house vacancy and affordability which will be announced over the weeks ahead. The

Traveller accommodation budget has increased again this year by over 50% with over €12 million to be spent in 2018. The housing adaptation grant scheme will have increased funding of €5 million bringing it to €53 million. It will help over 11,000 existing homes to be adapted to cater for people's new needs.

The national urban regeneration programme continues to make major progress in areas in Dublin, Cork, Limerick and other urban centres. Its budget has been increased by over €60 million. The social housing we are delivering is of a higher quality than it was years ago. We will continue to invest in improving the old housing stock. Next year €25 million will be provided to fund upgrade works on 9,000 homes to make them more energy efficient. The funding for the pyrite remediation scheme has been increased with an extra 30% increase bringing it to €30 million.

Deputy Peter Fitzpatrick: I welcome the budget. Fine Gael has listened to the people and has invested in areas that need it the most. We made a step in the right direction to tackle the homeless crisis. There will be a total investment of €1.83 billion for housing in 2018 with 3,800 new social houses to be built next year by local authorities and approved housing bodies. The social housing current expenditure programme will deliver an extra 4,000 social housing units next year. The housing needs of 25,500 households will be met in 2018. Every day next year, 98 households will have their housing needs met. The housing assistance payment has been increased by €149 million and it will enable 17,000 extra households to be supported and accommodated in 2018. Funding for homeless services will be increased to over €116 million.

On coming into office, the Government has increased investment in the Garda. The budget will provide resources to allow for the recruitment of an additional 800 Garda students, along with another 500 civilian Garda personnel. I welcome this investment as my constituency, Louth, knows only too well the importance of having gardaí on the beat.

We need to help families. The budget reduced the universal social charge from 2.5% to 2% and from 5% to 4.75%, increased the earnings disregard for the one-parent family payment and the jobseeker's transitional scheme by €20 per week and decreased the threshold for receipt of family income supplement by €10 per week. Some 1,300 additional teaching posts are to be provided in 2018, while the pupil-teacher ratio at primary school level will be reduced and there will be more breakfast clubs for DEIS schools. It also provided a €5 per week increase in social welfare payments, which include disability allowance, carer's allowance and jobseeker's allowance and benefit. A Christmas bonus of 85% will again be paid to all social welfare recipients in 2017. A Brexit loan scheme was launched that will make up to €300 million available at a competitive rate to help businesses with their short-term working capital needs. The retention of the special 9% VAT rate for the tourism sector is particularly important in the context of Brexit and will help Border towns such as my home town of Dundalk.

Deputy Stephen S. Donnelly: If my learned colleagues in Fine Gael cannot figure out how to share 20 minutes, is it any wonder not enough houses have been built in the past few years?

Deputy Peter Fitzpatrick: We shared the time.

Deputy Stephen S. Donnelly: I would like to have heard more from the Minister of State, Deputy English. In view of the housing crisis the country is facing, for the Minister of State to have had approximately two minutes and 45 seconds to give his thoughts on the budget is very unfortunate. Perhaps more time could be given to him in later debates because not enough has

been allowed. The Minister of State has important things to say and they need to be debated.

An Ceann Comhairle: The debate will adjourn today. At this morning's meeting of the Business Committee we discussed that many more Members wish to contribute to the debate so our desire is that additional time be provided to facilitate more detailed discussion.

Deputy Stephen S. Donnelly: However, if I understand Standing Orders correctly, the difficulty is that each Deputy can contribute only once per debate.

An Ceann Comhairle: Deputies cannot speak a second time.

Deputy Stephen S. Donnelly: I would like the Government to manage their allotted time in order that Members could hear more from the Minister of State, Deputy English, and also the Minister, Deputy Humphreys, and the Minister of State, Deputy Phelan, as to what is happening.

Deputy Damien English: The Minister for Housing, Planning and Local Government, Deputy Murphy, addressed the House on the housing issue.

Deputy Stephen S. Donnelly: I mainly wish to address the budget in the context of the threats and opportunities resultant from Brexit.

This is a Government budget, not a Fianna Fáil one. However, Fianna Fáil has had some influence on the budget through the confidence and supply agreement. During talks with the Government over the past number of weeks, Fianna Fáil prioritised investment in public services and further protection for vulnerable individuals, families and communities.

In terms of education, I am especially pleased that the budget has provided for smaller class sizes, more career guidance counsellors and an increase in third level funding to include more critical supports for postgraduate students. As regards health, the budget includes Fianna Fáil's priority of significant new investment in the National Treatment Purchase Fund, NTPF, which will reduce the unacceptably long waiting lists for surgical procedures. It includes more funding for disability services to reduce the unacceptably long waiting times for assessments. For families and communities, because of Fianna Fáil's priorities being insisted upon, the budget includes provision for more gardaí, more affordable child care, the retention of mortgage interest relief for the negative equity generation, which is very important, and a modest increase for pensioners and those in receipt of social protection benefits, which is only the second such increase in the past ten years. The budget would not look like that had Fianna Fáil not influenced it. We know from statements made by Fine Gael members in recent months that the budget would have prioritised tax cuts and wealth creators, which is an awful phrase straight out of the Margaret Thatcher handbook of Tory politics.

The budget is far from perfect. Its most disappointing aspect is the lack of urgency and investment in solving the homelessness crisis. I listened carefully to the Minister of State, Deputy English, during the two minutes and 45 seconds he had to speak and I acknowledge significant additional capital has been made available for investment in social housing and that neither this Government nor any other could build enough houses to deal with the homelessness situation overnight. However, all Members are aware of the awful reality that there are 3,000 homeless children in the State. All Members have met homeless families and listened to the testimony of what it means for those mothers and fathers, both for themselves and in terms of what it means to raise school-going children in single rooms. It is heartbreaking and is unacceptable to the

country and to Fine Gael. I was most disappointed that specific aspect of housing was not dealt with.

Deputy Damien English: The Minister for Housing, Planning and Local Government, Deputy Murphy, dealt with that issue.

Deputy Stephen S. Donnelly: There are 3,000 homeless children and 180,000 vacant homes in the country. There are 60 vacant houses for every homeless child in Ireland. Many of those houses are not available or appropriate or cannot be touched for constitutional reasons.

Deputy Damien English: They are not there.

Deputy Stephen S. Donnelly: According to analysis Fianna Fáil has seen, they are there.

Deputy Damien English: They are not there. The Deputy should check the real figures.

Deputy Stephen S. Donnelly: Even if only half that number of vacant houses is available, that is still 3,000 homeless children and 90,000 vacant houses, so it does not matter if the figure is 180,000 or 150,000 or 90,000. Surely to God in a modern Irish republic with the efforts of all Members we could match 3,000 homeless children to 180,000 or 100,000 vacant homes. Surely to God we are capable of doing that and that is what we should be doing. That is what is missing most in the budget.

As regards Brexit, I acknowledge genuine and useful measures such as the agrifood sector loan scheme, funding for our embassies to grow, funding to build digital infrastructure, which is very important, a €300 million SME loan scheme that is to be welcomed, and a modest amount of additional funding for State agencies, Enterprise Ireland and Bord Bia in particular. Although those measures are welcome, are they enough? Are they a commensurate response to what the previous Taoiseach, Deputy Enda Kenny, described as the biggest economic threat to face the country since the foundation of the State? In that context, it is difficult to conclude that the budget is commensurate with the risk posed by Brexit.

The Revenue Commissioners report recently leaked to RTÉ provides a stark analysis of the scale of what Irish businesses will face should the UK follow through on its stated intention to leave both the customs union and the Single Market. The report states that 91,000 businesses in Ireland trade with the UK and will, therefore, be directly affected by Brexit, as will the farming community and the tourist industry. The report says that the cost to those businesses in terms of administration and financial burden due to Brexit cannot be underestimated. It predicts compliance volumes increasing by 800% and WTO tariffs kicking in if there is a disorderly Brexit. That would mean 50% tariffs on Irish beef, half of which is sold to the UK. That would be an existential crisis for our beef sector. The same applies to a greater or lesser degree in other sectors such as agrifood, textiles, electronic equipment and so on. We need to be aware that should the UK take back its territorial fishing waters, as a member of the British Government signalled to me it is considering, that would pose an existential threat to Ireland's fishing industry.

The threat posed by Brexit is such that we cannot just mitigate the risks. We need to work with those 91,000 companies to ensure they are doing everything they can to expand into new markets because that is how people have to start thinking. Does the budget respond sufficiently to the threats posed by Brexit and the opportunities it presents? Unfortunately, it did not, although some measures it provides for are welcome. Unfortunately, that fits with the Government response to date to Brexit. The Government, along with Irish officials and diplomats,

deserves great credit for some of the diplomatic wins between Dublin and the European Union in Brussels. The common travel area has strong support, which may not have been the case were it not for the work of the Government. The issues for Ireland and Northern Ireland are front and centre in the negotiations, and this may not have been the case and is to be recognised.

However, when it comes to the domestic response to Brexit, this Government has not done enough and continues not to do enough. The Government still says Brexit has not happened yet, but Irish businesses all over the country are struggling with weaker sterling and lower sales orders from the UK. The Government says detailed analysis on the impact of a hard Brexit is not available while suppressing that very analysis. It cites Enterprise Ireland's support for 600 companies as evidence that Brexit is being taken seriously, but 91,000 companies trade with the UK. What of the other 90,400? The Government still has not produced detailed sector-by-sector analyses, which has been promised again and again and, as we now know, it has instructed Revenue, customs and other parts of the Civil Service to stand down and stop preparing for Brexit. We must do everything in our power to avoid a hard Brexit, but the current political trajectory is that the UK will leave the customs union and the Single Market. It is reckless not to act on this and to have stood down the Civil Service. The €300 million fund is welcome but, again, in the scale of Brexit this would represent just €3,300 for each of those 91,000 companies. A sum of €300 million sounds like a lot; throw it against Brexit and it turns out it is not so much. We must be more ambitious. We need a national programme of support for these 91,000 companies. This means extensive training in areas such as currency hedging, pricing strategy, supply chain analysis, marketing and product development. It means adaptation funding for working capital and access to affordable loans and investment capital. It means support for market analysis and product development and, critically, it means an inter-agency approach to helping these companies access new markets. If we do this, it will go a long way towards mitigating the risks posed by Brexit and might just start to turn an enormous economic threat into a very significant opportunity.

Deputy Mary Butler: I have been here for the past two hours and have listened to many contributions from all sides of the House. I have listened to the Sinn Féin Members, who have now all vacated the Chamber, and to Government Members across from me. I could spend my time answering the critics but I will not; I will just say three words: confidence and supply. I would prefer to address the positives in the budget and would also like to talk about the items in the budget that were not dealt with.

As Fianna Fáil spokesperson for older people, I welcome the aspects of this budget that will improve the standard of living for the older members of our country. Fianna Fáil has worked very hard to ensure that Fine Gael honours the commitments we secured as part of the confidence and supply agreement. We are proud to have once again secured a €5 per week increase in the State pension. This is the second year in a row we have secured an increase in the State pension, which means State pensions will rise in total by €10. There will be an additional one week of fuel allowance, bringing the number of weeks to 27. This will directly benefit 375,000 households. In addition, I welcome the new telephone support allowance of €2.50 per week for 124,000 people who are living alone. The loss of the telephone allowance in recent years cannot be overestimated. Older people chose to have their phone lines removed. The standing charge and VAT were a step too far, with the phone calls the cheapest part of the bill in most instances. Older people simply could not afford the phone bill in most cases. This also had a huge effect on vulnerable older people who needed the landline for a panic button. This security measure is extremely important for older people living alone who are vulnerable and

dependent. This is certainly a step in the right direction. However, the criteria are strict, with only people claiming the living alone allowance and the fuel allowance set to qualify in budget 2018. Again, I was disappointed that this year the living alone allowance was not increased and stays at a paltry €9. When one member of a couple in receipt of the State pension dies, the loss of the spouse's pension is extremely difficult for the surviving spouse to cope with as the household bills remain the same. To lose a weekly income of approximately €230 at a time of grief is difficult, and I specifically ask the Minister for Employment Affairs and Social Protection to look at this payment to see whether it is possible to increase the living alone allowance or to allow a reduced spouse's pension, even on a tapered basis, to ease the financial burden.

Regarding the health service, there will be additional funding for home care packages and a greater use of transitional beds to allow older people to get out of acute hospitals more quickly. This is essential. Given the modest budget, the key test is delivery for the 549 people on trolleys yesterday, of whom 41 were in University Hospital Waterford. I shudder to think what the numbers will be like as the winter approaches, with the flu season kicking in and the surge in demand for hospital care. I welcome the allocation of €55 million to the National Treatment Purchase Fund. This fund worked before and will work again if the will is there. Buying spare capacity in hospitals that have capacity makes sense. Targeting medical procedures such as hip and knee replacements and cataracts is an important part of ensuring money is well spent. Normally it is older people who are most affected by these ailments, affecting quality of life and mobility, and I believe a targeted approach would yield great results. It would seriously improve quality of life and would mean less people presenting at accident and emergency departments.

This was not a perfect budget, and in areas outside of the remit of the confidence and supply agreement, Fine Gael has not ensured that older people would not lose out. There was no mention of post offices at all in yesterday's budget announcement. The closure of post offices will disproportionately affect older people more than any other sector of Irish society. The lack of recognition of the importance of post offices is a worry for my party and, more importantly, for older people who rely so much on the local post office. An Post has confirmed that between 160 and 360 post offices will close across the country in the next four years. A national review is ongoing, with ten post offices closed on a temporary basis pending the results of the review. I accept that postmasters and postmistresses may choose to retire and it will not always be possible to retain the service in every town and village. However, every effort will have to be made to halt the decline and encourage users and customers to vote with their feet and choose their local post office. There is a whole generation that is not online or tech-savvy and who depend on the post office network. I will continue to campaign to retain post offices in order to ensure that older people can remain connected to their communities.

Deputy Fiona O'Loughlin: Every morning when I wake up in south Kildare, I think about the people whom I am proud to represent and about the decisions we make in this House that impact them and the quality of their lives. Ultimately, that is what our job is all about, and it is the same on budget day. On budget day and in the days since, I have been thinking about the children in overcrowded classrooms in Kildare. I welcome the commitment to lower the pupil-teacher ratio, which was a key issue for Fianna Fáil in negotiating our confidence and supply agreement, but it is too late for some schools. I wish to highlight Ballyshannon national school as an example. It is a four-teacher school, has 37 children in junior infants and is having a constant issue with the Minister for Education and Skills. I hope this will be taken on board. I think of the children with special needs. Again, I welcome the fact that we will have more special

needs assistants but I highlight, for example, that there are eight children with special needs in one unit in Scoil na Naomh Uilig in Newbridge who have no secondary classroom to go to in June. This budget does not help or support these children. I think of the 400 children and their parents in south Kildare who in two years' time will have no secondary school place to go to. I do not see anything in the budget that addresses these needs. I think of Anne and women like her in my constituency who, because they worked many years ago, in the late 1960s and early 1970s, are deprived of their appropriate pension because of legislation brought in in 2012. I do not see anything in the budget to allay their fears and concerns. I think of all of the people in business. I met 80 women in business this morning in Kildare through the local enterprise office. I think of all that could have been done to support the small and medium-sized enterprises and other enterprises. We absolutely need to give business that extra shot in the arm. I think of the hundreds of people who lined the streets in Newbridge on Tuesday night, which was budget night but also World Mental Health Day. Those people came out in a communal expression of grief in the wake of the five people who took their lives within five days in my community over the past week. I do not see anything in the budget that will help or support them. A commitment was given that significant funding would be given to mental health but we now realise that only €15 million has actually been allocated. Prior to the budget I spoke on this issue, stating that funding allocated in this budget would reflect the priority Fine Gael places on mental health care for 2018, but that has proven to be significantly lower than expected. I am Chair of the Oireachtas Committee on Education and Skills, which published a report on positive mental health in education, and I would certainly hope the Minister for Education and Skills and the Taoiseach would take on board its 20 recommendations. It is so important, in all of the work we do, that we do everything we can to promote positive mental health and support those who are in crisis.

I think of those who are in crisis in regard to housing, in particular the 8,000 people on the housing list in Kildare. While some measures were introduced in regard to supporting local authority housing, it was not enough. There was not one mention of affordable housing in the budget. I think of all of the younger and older people who are hoping to make their lives in my county and in our country, and trying to get jobs while not having a place to live, those who are paying huge rents and those on the social housing scheme through HAP. I think of gardaí and, while it is welcome that we will have a greater number of gardaí, we have to note that morale is low. In the last seven weeks five gardaí have taken their own lives, and I believe that it is nine since January. We all need to do what we can to help and support gardaí and first responders in such cases.

There is no doubt that the influence of Fianna Fáil has made this budget a fairer one than it would have been initially. Beyond that, the budget has not shown any imagination or innovation in terms of where it needed to go. We need fewer leaks, fewer reports and more action.

Minister for Children and Youth Affairs (Deputy Katherine Zappone): Budget 2018 will reduce poverty and deprivation. The €5 increases on the social protection side and the 3.2% increase in the national minimum wage will help to reduce poverty. The IMF and others note that significant increases in education, child care and health help to reduce inequality. Budget 2018 does this. These are all characteristics of a budget that is progressive. As a campaigner, a supporter of communities and an Independent Minister, it has been a privilege to bring a progressive focus to the overall budget process. There has been much commentary that what has been achieved is small and modest, and I, like many others, would like to have seen more. However, we must be also realistic and look at budget 2018 against the backdrop of

available resources. These too are small and modest.

As the only Independent woman sitting at the Cabinet table, I entered the budget process with a realistic approach. In terms of my own area, I went out to secure everything possible for children, young people and families. My Department and I set the bar high and we delivered an extra €73 million, bringing the overall investment in my Department to €1.38 billion. Approximately half of that is targeted for public services to protect our children and to provide for their welfare, and the other significant portion is to build child care in a way that targets those who have least to get the most.

My budget is progressive. Deputies will be aware of much of the detail and I will take this opportunity to put some brief highlights on the record of the House. There is €43 million extra for the Child and Family Agency, Tusla, which will protect and support people who are often dealing with a personal or family crisis. It will also allow mandatory reporting, which, after two decades of debate across five Governments, will become a reality on 11 December. Many Deputies and communities are in direct contact with me about family resource centres and I will be shortly making a significant announcement in that regard. In child care, we are pushing ahead with our radical new approach. More than 20,000 toddlers will benefit as we act to ensure that every three-year old gets a full two years of free preschool. We are raising the average number of free weeks from 61 to 76, which, by any standards, is huge.

Turning to the wider aspects of the budget, my mission is to ensure we continue to invest in public services. The Minister for Finance has listened to my arguments and accepted them, and expenditure and services have been prioritised over tax reductions. Resources are being allocated in a progressive way, favouring those households in the weakest position. The increase in the home carer credit also signals our determination to identify those who need more help and to target resources at them. Public services are more important for lower income households. The increased provisions announced on health and education will deliver real benefits. Capital investment, for example, in transport, helps everyone equally and is a key driver to level the playing field. The 17.4% increase in capital spending and the large projected increases in capital spending out to 2021 are very welcome.

I do not have to tell Deputies that housing is the biggest challenge we face. The hoarding of land, when our neighbours fear losing the roof over their heads, is repulsive and wrong. The introduction of a higher levy on vacant land will help stop the hoarding of idle property, which is literally pricing men, women and children out of their own communities. It cuts the incentive to leave apartments, houses and plots idle to become derelict and will allow an opportunity for these properties to once again become homes.

Like all in this House, I have seen at first hand the personal devastation caused by the crisis. I have heard the heartbreak, the fear in people's voices and the sheer desperation of so many. More than 10% of Irish households are living with housing insecurity. We must stop this crisis from growing. We must stem the flow of people into homelessness and keep families in their own homes. I have worked closely with the Minister, Deputy Eoghan Murphy, to ensure preventative measures are included in the Government's housing initiatives. Strengthening the Residential Tenancies Board with regard to regulatory responsibility is such an action. The board will ensure families cannot lose their homes if a landlord decides to make cosmetic changes to a property, and it will define and protect deposits paid on rental properties. I have also highlighted that we need actions to address eviction upon sale of property. This is key and I will continue to work with the Minister, Deputy Murphy, to ensure this happens.

As an Independent progressive, I also want to see more homes built, and budget 2018 does move to further incentivise building. Delivering an additional 3,800 homes next year will help but, with 8,000 people living in emergency accommodation, we need to do more. We need to depend less on the private sector and support more direct building by local authorities and approved housing bodies. By doing this, we would address the affordability of buying and renting.

The goal of balancing the books is not only an admirable one, it is the right one. This is important for two reasons. First, it is a significant achievement, given the challenges of the past decade and huge deficits of recent years. Second, and arguably more importantly, it triggers mechanisms at European level which will give us much greater freedom in future budgets. That freedom means this budget is another step towards the vision I have of social equality for our country.

At the outset I said our measures are modest and small, and they have to be as our resources are modest and small. Would I have liked to do more? Do I want to do more? Could my Department do with more? The answer to all three is, of course, yes. I see what has been achieved over the past two budgets as steps and we are by no means at the end of the journey. One particular area where I want to see more is for low paid workers. We have, at 24%, the highest percentage of low paid workers in the EU. There have been small gains for many on low incomes who are not welfare recipients, who earn a little more per hour than the minimum wage and whose income is not enough to experience much of the value of reductions in the USC and income tax. This is an issue - for me, it is a core issue. I want future policy to focus more on ensuring incomes, working conditions and living standards improve for all earners, not just those lucky enough to have full-time, well-paying jobs. As a progressive, I am developing independent policies in this area informed by campaigners, experts and academics. I look forward to publishing them and presenting them to my Cabinet colleagues.

The Budget is to be welcomed for what it is. I support the measures it contains and look forward to using its strong foundations to continue our work towards a republic of equals.

Minister of State at the Department of Education and Skills (Deputy Mary Mitchell O'Connor): Budget 2018 is a major event for higher education in Ireland. After a really difficult decade, we can now start to address some of the challenges facing the sector. In this budget, we are announcing extra current and capital spending, which I am confident will make a real difference. In parallel, we are committed to making changes in how the higher education sector works and measures its performance. We are committing an additional €64.5 million in 2018 for further education and training and higher education. Total investment by the Government in further and higher education will be €2.36 billion in 2018. We are determined to deliver a regional spread of investment in higher education infrastructure through a public private partnership programme and a very substantially increased capital allocation.

In visits in recent months I have seen at first hand how infrastructure in institutions needs to be updated to keep our students to the forefront of learning. With the co-operation of the education committee and colleagues in the Oireachtas, I am determined to have the Technological Universities Bill enacted by the end of this year. Technological universities will mark a step change in scale, impact and influence. They will drive regional development and provide more opportunities for students.

The reform of the national training fund, NTF, marks a major step forward in the funding of

higher and further education. Budget 2018 will raise the rate of the NTF levy by 0.1% to 0.8% and by a further 0.1% in both 2019 and 2020. The final two increases will be subject to reforms, giving employers a greater role in determining the priorities and direction of the fund. It is my intention to continue constructive dialogue with employer representatives to ensure the closest possible alignment of their needs with our higher education programmes. Working together we can plan and provide for the education and training that will enhance Ireland's economic performance. It will build a productive future for all.

Budget 2018 also made provision for our rising population numbers. That is why we are providing an additional €22 million in 2018 for 2,100 new student entrants as a result of demographic change. I have met many exceptional people in universities and institutes of technology since I took over this job. I want to help the entire sector take a collective step upwards. That is why we are providing €9.5 million to encourage funding reform. We want to offer incentives for more research in priority areas; we want to recognise and support the regional mission of the institutes of technology.

A new performance and innovation fund will be provided to encourage capacity building and to reward exceptional performances. I am also very pleased to announce funding support for gender equality in the sector. I will announce members of the forthcoming gender task force shortly.

The Government provided €8.5 million for access measures in 2017 and I am pleased that this will be provided again in 2018 along with an additional €4 million. This also complements the €450 million annual provision for access measures including the student grant scheme.

Regarding capital spending, on my visits to universities and institutes of technology there has been one recurring theme, the need to address a decade of under investment. I have been in laboratories that are unchanged since the 1970s. I have seen cladding coming off walls. The Government has decided to increase the capital programme for higher education 2018 to 2021 from €110 million to €367 million, which is an extra €257 million. This will start a significant infrastructure upgrade and replacement programme. It will also support a small number of new-build flagship projects with a focus on achieving leverage. Progress on the next phase of development at the DIT Grangegorman campus will continue. Capital will also be provided for research and to meet the Innovation 2020 targets, particularly the frontier research programme. Final decisions and announcements under the €205 million public private partnership programme are imminent. The projects to be supported will have a broad regional spread. Budget 2018 fully recognises the importance of higher education to our society and economy.

Minister of State at the Department of Housing, Planning and Local Government (Deputy John Paul Phelan): I will respond to some of the issues that have been raised in the Chamber by earlier contributors. I note that Deputy Fiona O'Loughlin is still in the Chamber and I believe it is always best to attack those who are still present. It will, however, be a gentle attack in that Deputy O'Loughlin's initial criticism of the budget referred to overcrowded classrooms. I believe that the greatest achievement of last year's budget was the announcement by the Minister for Children and Youth Affairs, Deputy Zappone, of a new system of payment for parents with school-going children and in the area of care for children. The biggest single outstanding issue for this year's budget, in advance of its implementation, is the fact that next year we will have the lowest pupil-teacher ratio in the history of the State.

Deputy Fiona O'Loughlin: With which I agreed.

Deputy John Paul Phelan: On the issue of overcrowded classrooms, it is ironic that the post-Celtic tiger Fianna Fáil did not manage to reduce the pupil-teacher ratio to 26:1. It is the standout issue and an unusual one upon which to start the attack.

The affordable housing component of the budget had a whole section dedicated to the introduction of a new agency, Home Building Finance Ireland, HBFI, which will use the expertise of NAMA to ensure lending to smaller developers and those who are not already involved with NAMA. This will be established next year. We are all familiar with the builders in our communities who develop the ten or 12 house estate in villages around the country. They cannot get access to finance now and it is a significant problem so the announcement in the budget of this new financing agency is particularly welcome.

With regard to the vacant site levy, some local authorities have compiled very good lists of vacant sites while others have not. This falls directly under my remit and I will deal with this over the next months to ensure that appropriate lists exist across local authorities. There are local authorities that have been very proactive on the housing front. Louth local authority stands out as having used the compulsory purchase mechanism to ensure that dereliction in its main towns is at least starting to come under control. It is also providing social housing for people who are on the social housing waiting lists in County Louth.

Deputy Mary Butler spoke about post offices and shed a lot of crocodile tears for them. The Deputy spoke of a report that mentions the closure of 160 to 360 post offices. She did not mention that the last time Fianna Fáil was in government more than 230 post offices were closed across the State and no tears were shed for them.

Deputy Robert Troy: They were voluntary closures.

Deputy John Paul Phelan: I know that Deputy Troy was a postmaster, so he has some understanding. Two of the post offices that closed were in villages in my own area of Tullogher and the village of Ballyhale in south Kilkenny. Both of these were Phelan post offices as it happens and involved members of my own extended family. They got very little succour from the government at the time over the closures. That decision, more than anything else, signalled a step change in how the government at the time dealt with rural post offices.

Deputy Stephen Donnelly spoke of Brexit as the biggest economic threat to face the country since the foundation of the State. It is an arguable point. I would say that the biggest economic threat to face the country since the foundation of the State occurred around the time that the Deputy started to campaign to be an Independent Deputy against Fianna Fáil, the party that ran the economy of the country off a cliff, before he decided to join Fianna Fáil where he now complains about the biggest economic threat to face the country since the foundation of the State.

As I entered the Chamber, Deputy Cullinane was speaking and his contribution was the strangest. He said discussions in the Dáil sometimes resembled “Live at the Apollo” and went on to attack both Fine Gael and Fianna Fáil for signing up to reports which they have never implemented. I do not know when the first provisional Sinn Féin TD was elected to Dáil Éireann but the one thing we can say about all of them is that they have never implemented anything in Leinster House. In some respects, I do not consider there is much difference between Fianna Fáil and Sinn Féin, although in other respects, I acknowledge there is a great deal of difference. However, Fianna Fáil has at least engaged in a process of trying to ensure the State had a Government. There are

3 o'clock

some issues in the budget which reflect that.

Deputy Robert Troy: We are keeping you there.

Deputy John Paul Phelan: It is interesting to hear some of the Fianna Fáil speakers claim all of the good bits in the budget are from that party while the bad bits are all from those bold people in the Independent Alliance and Fine Gael.

Deputy Finian McGrath: That is right.

Deputy John Paul Phelan: It is not quite how things work.

Deputy Robert Troy: Deputy Finian McGrath stayed in.

Deputy John Paul Phelan: The most damning indictment of Fianna Fáil is that in 2011, when I was elected to the Dáil, Exchequer income tax receipts were €11 billion. Next year, they will be €21.5 billion. That is how any social service provided by the Minister of State at the Department of Health, Deputy Finian McGrath, or anyone else, can be funded. There is no greater acknowledgement of the efforts of the people of the country or the Government which has served, in different guises, for the last six and a half years than the fact that income tax receipts will have doubled by 2018.

Deputy Finian McGrath: Hear, hear. Well done.

Deputy Joe Carey: I want to concentrate in the limited time available to me on rural and community development and education. As Chairman of the rural and community development committee, I congratulate the Minister for Rural and Community Development, Deputy Michael Ring, and indeed the Minister of State, Deputy Kyne, for securing an additional €19 million for the Department in the budget. Budget 2018 benefits rural Ireland by providing resources for the recruitment next year of an additional 800 gardaí to tackle crime. The retention of the 9% VAT rate for the tourism industry is of vital importance to rural counties like Clare, where the tourism sector is so important. The additional 200 places on the rural social scheme are also very welcome. I acknowledge the 12% increase in the budget of the Department of Rural and Community Development for 2018. The funding will be put to very good use in key rural and community development programmes such as the town and village renewal scheme, funding for which has increased by €3 million, the outdoor recreational scheme, funding for which has increased by €4 million, Leader, CLÁR, and the local improvement scheme for roads.

The budget also provides the largest ever package for education, for which I congratulate the Minister, Deputy Richard Bruton. Since Fine Gael came to office in 2011, the budget for education has increased by €1 billion. Next year, we will see 1,300 new school teachers, a reduction in the pupil-teacher ratio to 26:1, which is very welcome, and 1,000 additional special needs assistants, which is also very welcome.

An Ceann Comhairle: Deputy Robert Troy is sharing time with Deputy McConalogue. Is that agreed? Agreed.

Deputy Robert Troy: I will not attack someone in his absence, but it is fair to say that the new communications unit which was established at a cost of €5 million obviously did not write a particular person's speech this morning. This budget is a fairer budget thanks to the result of the general election in 2016. What the Deputies opposite fail to realise is that in the general election of 2016, the policies of Fine Gael and the Labour Party of the preceding five years were

resoundingly rejected. They were rejected because they were aggressive, right-wing, unfair and inequitable. That is why those parties came back with almost 50 fewer seats than they went out with. They seem to forget that. We are thankful on this side of the House that we used our position to implement real change. The proof of the pudding is in the confidence and supply arrangement which is there for anyone who wishes to read it. It is a 2:1 split to achieve a greater emphasis on improvements to services which were decimated by the previous Fine Gael and Labour Party Government. The key to the budget will be whether the announcements which have been made are fully implemented. I note the position with many announcements over the last number of years. Will the people we are fortunate enough to represent see the benefits on the ground?

I turn to the transport portfolio. I must acknowledge that there has been an increase in the budget of €200 million for next year, which is welcome. However, the boast of the Minister, Deputy Shane Ross, during Question Time yesterday that it was the largest increase in transport expenditure in the history of the State suggests he needs a history lesson. His capital expenditure for 2018 to 2021 will be 23% lower than the capital expenditure for the period 2007 to 2010. It is obviously not the greatest in the history of the State. The Minister must remember that for the last five years, Ireland has been one of the lowest net spenders in Europe on transport infrastructure. The funding for our roads in 2018 is 28% lower than the Department itself says is needed just to maintain our roads in a steady-state condition. The lack of adequate funding for Transport Infrastructure Ireland over the last number of years means the organisation has no project which is shovel-ready in the next short period. As such, we have to start projects from the very beginning, which will lead to a long delay in any new major capital expenditure programmes which are subsequently announced.

Another deeply worrying matter is the challenge facing public transport. We have come from a year of industrial action in Bus Éireann and Dublin Bus and face potential industrial action in Irish Rail, yet the Minister, Deputy Ross, continues to bury his head in the sand. While I acknowledge the 8% increase in the PSO, which is welcome, we remain below 2008 levels at a time when public transport is at absolute capacity. The trains that leave Mullingar every morning are bursting at the seams. Trains are too infrequent and we have failed to invest sufficiently in tracks and carriages. Because of that, people are leaving public transport and driving their cars, a result of which is the worst ever congestion in the capital. We know about the economic cost of that to the country and we also know about the hugely negative impact it is having on people's quality of life.

I congratulate the Government strongly on the welcome retention of the 9% VAT rate in tourism. I am glad the buoyancy in the sector in Dublin did not result in a failure to ignore the reality outside the capital and the effect of Brexit on the industry in the rest of the country. Those who advocate an increase in the VAT rate, including, I understand, even some within Government circles, ignore the fact that since VAT was reduced, tourism has been the driver of our economic growth. An additional 50,000 jobs have been created in the tourism sector since 2011 alone. However, the Minister is ignoring a substantial reduction in the number of visitors from the UK to Ireland since the weakening of sterling. If he thinks that an increase in the marketing budget of €2.5 million will alleviate or address that difficulty, he is sadly mistaken. The Members of the House as a whole would nearly spend as much on advertising during a general election campaign. It is simply not good enough and it requires the Minister to go back to the drawing board to determine how to ensure greater resources are applied to mitigate the effects of Brexit. I welcome the fact there will be a €1 million fund to establish the Lakelands brand,

something for which I advocated, as did other colleagues in Longford-Westmeath. Where or how will this money be spent? Will adequate staffing and resources be provided? Yesterday, I pointed out that Longford received only €2,000 towards marketing the brand last year. While the new fund is welcome, we need greater detail regarding when it will commence, the level of engagement with stakeholders and whether it will be adequately staffed.

We learned yesterday that funding for the sports capital programme will increase from €30 million to €60 million. Does that mean there will be no round under the programme in 2018? The Minister of State responsible, Deputy Griffin, said yesterday that 20% of this year's applications were not validated. Will those applicants have to wait until 2019 for an opportunity to apply again under the programme? The increase in funding is welcome but I wonder whether Independent Alliance Members are contemplating a general election next year and want to ensure all the money is front-loaded for sports clubs. I would welcome the opinion of the Minister of State, Deputy Finian McGrath, on that.

Deputy Finian McGrath: We would never think of something like that.

Deputy Robert Troy: The increase in stamp duty on commercial property seems to be the cornerstone of the budget. It should generate €376 million and that figure is based on property transactions worth €9.4 billion. Why does the Government feel there will be this volume of transactions next year when only €4.5 billion worth of transactions was completed in 2016? The transitional arrangements need to be published without delay. Will it be the case that anybody who has entered an arrangement for a commercial property prior to this week will continue to pay the 2% duty? We do not know and full clarity must be provided on that. It has become apparent that the Government did not realise the impact this change will have on farming. That proves there remains an element within government that is Dublin centric in respect of policy making and does not take on board the effects policies will have on rural life. The people who will be mainly affected by the stamp duty increase are farmers who want to expand their businesses. They will be penalised but this could be addressed in the finance Bill.

There was nothing in the budget to support small businesses in our towns the length and breadth of the country. I welcome the Minister of State, Deputy Catherine Byrne, to the House. She will recall that many months ago I raised the issue of the review of commercial rates and the valuation process, and the unfair, inequitable rates being levied on businesses in our small towns. She undertook to convey the issue to the then Minister for Justice and Equality, Deputy Fitzgerald, and she followed through on this but nothing has happened and our businesses are creaking at the seams. They need supports and there are none in the budget for them.

The Minister for Finance is quoted in today's newspaper as saying that one of the cuts introduced by Fine Gael and the Labour Party was "bonkers" and "unbelievable". It was the most discriminatory cut against women who took time out of their careers to raise a family, to work in their homes or to look after a loved one. They are substantially worse off now because of changes introduced by the previous Government. In the context of fairness, equity and everyone being equal, when the social welfare Bill comes before the House later this year, a clear undertaking and commitment must be given to begin unravelling this process in the next budget at a minimum.

Deputy Charlie McConalogue: The budget will not make a massive difference to any particular sector of society. It was modest and that is very much the result of where we are at in our economic recovery and a reflection of available finances. My colleagues have laid out this well

during the debate. The influence of the confidence and supply agreement in setting the direction of the budget, in particular, with regard to the 2:1 split in expenditure and taxation, is evident. That was important in ensuring the budget was fair and that budgetary policy continues to be implemented fairly. It should assist those on low and middle incomes but, most important, it should improve public services and ensure they are available to those who depend on and need them. It must be ensured those services are not cut. This has been the hallmark of Fine Gael in government and, indeed, the Labour Party previously.

I do not need to go over all of Fianna Fáil's successes and influences as a result of the confidence and supply agreement but I refer to the €55 million allocation to the NTPF, the 800 additional gardaí, the reduction in the pupil-teacher ratio to 26:1, cuts to the USC for low and middle income earners; and importantly, the €5 increase in the old age pension, carer's benefit, disability benefit and various unemployment benefits. These are small but important increases, which we worked hard to influence and to bring about. We will continue to hold the Government to account from the Opposition benches for its failure on a number of policy fronts, in particular, health and housing. The Government has flattered to deceive over and over again.

I refer to my portfolio of agriculture, food and the marine in the same context. While budget measures are exceptionally important and yesterday's announcements in respect of agriculture were significant, it has been my experience in my role as spokesperson that the Government's greatest failure has been the inability to deliver and follow through. Payments to farmers under a number of schemes have been totally mishandled by the Department and the farmers have been put under massive pressure. In addition, the Minister and the Government have failed to properly fund and to follow through on promises and commitments relating to the rural development programme, GLAS, the beef data and genomics programme and Leader. We were furnished with evidence in recent weeks when, in reply to parliamentary questions, the Minister informed us that in 2016, he returned €106 million to the Exchequer from the Department's budget. That is unacceptable and an indictment of his handling of the Department and the Government's approach to agriculture. Delivery is crucial and I will hold them to account over the coming weeks and months.

I welcome the ANC funding increase of €25 million. We pushed hard for it because it is important. It will assist up to 100,000 farmers. We will push for that funding to be directed mostly towards those who experience the highest level of constraint on their lands. We will try to start the process whereby this is reflected in the three payment rates - there is also an island rate - for hill land, more severely handicapped lowland and less severely handicapped lowland. However, there is only a difference of €15 between the payments for hill land and more severely handicapped lowland, yet there is a massive difference in the constraints and profitability of farming land in both categories. It is important that the ANC payment does what it is supposed to and that this is reflected by providing assistance to farmers who are trying to make a living on that land.

We also welcome the funding in the budget for Bord Bia, the agency primarily responsible for developing new markets and for ensuring that we are well placed to make the best use of the potential to expand the market base for our tremendous agrifood products, particularly in light of the Brexit challenge and the need to batten down the hatches with regard to the British market. Over the last year I have been emphasising the failure of the Government to resource Bord Bia properly in that regard. It had not been happening and it should have happened long before now. The €4.5 million allocation in the budget is welcome and must be delivered quickly so there can be feet on the ground and we can ensure Bord Bia is working at maximum capacity.

It is also important that this happens alongside increasing resources in the market access unit in the Department of Agriculture, Food and the Marine to work on the same objective.

It is disappointing that there is nothing for the suckler cow and beef data genomic programme. The sector is under massive pressure and will need intervention if it is not to be eradicated over the next number of years. The roll-out of the beef data and genomics programme, BDGP, has been too slow and underfunded. There must be additional specific funding. Fianna Fáil policy in that regard is to provide a €200 suckler cow payment.

It is exceptionally disappointing that there has been a failure to follow through on, and implement, the proposals put to the Minister relating to income stabilisation tools. The same happened last year when the Minister for Agriculture, Food and the Marine and the Minister for Finance baulked when it came to their delivery. I note that, in his press release afterwards, the Minister said he would continue to engage and explore further taxation measures with the Minister for Finance for income stabilisation. There were very good proposals before him this time last year and he had a full year to examine them, but there is still no delivery. It is unacceptable and there is no excuse for it.

The other issue is stamp duty and how it applies to agricultural land. There appears to be massive confusion between the Department of Agriculture, Food and the Marine and the Minister for Finance as to how this came about and its impact. It is crucial that the Ministers listen to the farming representatives regarding the concern about the increase to 6% on agricultural land. That must be considered further between now and the Finance Bill. It impacts on those who are selling land in particular, but it also has an impact on those who are transferring or inheriting land. Currently, there are two exemptions. One is for young trained farmers under the age of 35 years. The other exemption is for consanguinity and confines stamp duty to 1% where land is being transferred to family members. However, the consanguinity exemption is confined to situations where all of those involved in the transfer are under the age of 67 years.

When the consanguinity exemption was introduced in 2012 it was allowed to apply regardless of age in the first year. In the following year the 67 years of age threshold was introduced. This absolutely must be re-examined, particularly with regard to transfers. When somebody is inheriting a farm and is going to continue farming it is unacceptable of the Government to slap a 6% stamp duty on him or her. The Minister must re-examine that and look at what was done previously.

The other point relates to the young farmer's scheme. The exemption applying to young trained farmers sets an age threshold of 35 years. However, other schemes in agriculture and the EU definition of a trained young farmer refers to those under 40 years. There is a contradiction in the Government's approach to who qualifies as a young farmer generally and to who qualifies as a young farmer in respect of the stamp duty exemption. That, too, must be examined. This issue has been handled very poorly and the impact on the farming community has not been considered. The Minister for Agriculture, Food and the Marine and the Minister for Finance must engage with farming representatives to consider how the situation and its impact can be addressed.

Deputy Denise Mitchell: Sometimes it feels like banging one's head against a brick wall when one is trying to explain to the Government how difficult life is for ordinary people. We have a housing crisis, a health crisis and spiralling child care costs, with workers in that sector on very low wages, yet the Government appears to be scared of making real decisions to tackle

these problems. This budget did not deliver much of anything. There are a few euro in people's pockets each week, enough for one or two cups of coffee.

There is a housing and health care crisis in the State but one would not know it from listening to some Members in the House. There is no increase in social housing targets for 2018. Why is that? The social housing target is 40% lower than what was recommended in the Committee on Housing and Homelessness report in 2016. Every day more people are becoming homeless. There are over 3,000 homeless children in the State right now, yet the social housing targets are pitiful. There are at least 80,000 vacant houses in the State, but there is nothing in the budget to increase access to those houses.

As for health, there is barely enough in the budget to keep the health system standing still, let alone move it towards increasing capacity. Basically, if Mary from down the road who is waiting on a hospital trolley today is back in the hospital again next year waiting for a hospital trolley she will be able to afford a cup of tea and a biscuit while she is waiting. People want services. They would far prefer to have investment in health care and housing than a few cent extra in their pockets. That is the reality. We are not saying that investment will solve everything. There must be different approaches and new thinking on some of the issues.

What really annoys me, and it has annoyed me every year since the pension bands were changed in 2012, is the failure to address the blatant discrimination against women in the State pension. Again this year there is nothing in the budget to address that.

Child care is an enormous issue and I am surprised that the Government did not take far more action to address it. Next year parents will still be paying high child care fees. Child care workers, who are highly qualified and skilled workers, will still be on very low wages. These are people we trust enough to leave our child or children with, which we all agree is a very important responsibility, yet they are paid peanuts. That is simply not good enough. Despite the fees, many child care providers are operating on very narrow margins. They cannot afford to give their staff a pay increase. They must be supported too.

I had a chat recently with a girl in Raheny in my constituency. She works in the child care sector. She works full-time in a crèche and part-time at the weekends in a cafe. She also works behind the bar in the local pub in the evening. She wants to work in child care and she is qualified in child care, but she knows she will never be able to afford a house with the pay in the sector. She plans to leave for New Zealand. This is another highly skilled young person choosing to leave the State. Child care workers do not feel that they are sufficiently valued.

Some elements of the budget were good. The increase in funding for Tusla and addressing the gaps in the out-of-hours services are welcome. The expansion of the early child care and education, ECCE, scheme and increase in capitation grants are also welcome. I fear, however, that these measures will simply not be enough to make a significant difference in child care. I know the Minister is independent and I sincerely believe she is doing her best but I suspect she sometimes runs into a brick wall when trying to convince her Cabinet colleagues on some of these issues.

Overall, people deserve better than this budget. The Government needs to take a hard look at the situation on the ground in terms of health and housing. Instead of prioritising tax cuts for most people, which most benefit the better-off, serious investment must be made in services because that is the only way to tackle the current crises.

Deputy Brian Stanley: I welcome the opportunity to speak on the budget for 2018. I will confine my remarks to the issues of communications, climate action and the environment, the brief for which I am the Sinn Féin Front Bench spokesperson. My party, in its alternative budget, was the only party to produce costed measures to tackle climate change, secure improvements in energy and create jobs in this sector. The budget is a non-event in terms of climate change as it did not include measures to effectively address the issue. It does not give me pleasure to make this statement. However, I have raised this with the Minister and his predecessors as far back as Mr. Phil Hogan.

Ministers have experts and officials to advise them and give direction on the way forward. The final product in the budget was meagre, however. As I stated five or six years ago, Ireland will hit a carbon cliff because we will not meet our European Union targets for reducing greenhouse gas emissions by 2020. The Minister confirmed last week when I raised this matter in committee that in 2020 Ireland's greenhouse gas emissions would be between 4% and 6% lower than their 2005 level. The European Commission has stipulated that Ireland must achieve a 20% reduction in emissions by 2020, which means our actions will only deliver 25% of the target. Climate change is a major issue and missing our targets will affect everybody, whether one is on the right or left or in the centre or whether one is living in Dublin, Connemara, Cork or Belfast. Direct measures must be taken.

As I spelled out previously, when climate action legislation was before the House Sinn Féin pressed hard for the inclusion of binding sectoral targets to reduce greenhouse gas emissions. We proposed setting targets for each sector of the economy and public administration. At the time, I highlighted the need to ensure greater involvement of local authorities in this area. The House can only enact legislation. We must involve citizens, communities and local authorities in this process.

We must turn the ship around. We had an industrial revolution in the 1800s and we need another revolution in electricity generation and greenhouse gas emissions. We also need to start creating jobs in this area. As good global citizens, we should not be simply bound by the EU but should aim to exceed the target of achieving a 20% reduction in greenhouse gas emissions by 2020. The consequence of achieving a 4% reduction in greenhouse gas emissions or only 25% of our target will be fines of hundreds of millions of euro. Instead of paying fines, why are we not investing hundreds of millions in hospitals, housing and education or, more important, spending this money on alternative sources of energy to achieve future savings?

We have to diversify into other energy sources. Having met a number of the big players in the energy industry, including the ESB, and having raised this issue with the Minister and his officials, it is clear that those who control the levers do not yet understand that the future does not lie in having three or four large energy generation facilities but in thousands of smaller generation units, as is the case in Germany.

Renewable energy generation has the potential to create jobs in rural areas. We are decades behind other countries in this area. Some 11,000 people in County Laois, including me, commute to work outside the county every morning. As a Member of the Dáil who has been sent here by the people of County Laois and south County Kildare, I accept that I must either travel to Dublin every day or stay in the capital overnight. However, many of those commuting outside County Laois should not be doing so. With a population of 84,000 and a working population of less than half that, it seems one in three or one in four workers in County Laois travels up the motorway to work every day, which is crazy. We need to create jobs in County Laois

through alternative energy projects and, in so doing, generate wealth that can be recirculated in the local economy. Instead, this Government and its predecessor supported the development of a small number of gigantic wind farms owned by multinational companies and opposed by local people. These have not created local jobs and there has been no local involvement or dividend to the local community from them.

There are only 1,800 electric vehicles on the road, a tiny number compared with other countries. Up to one quarter of vehicles in other countries are electric. The ESB is installing home charging units for 2,000 customers. However, the electricity network will not be able to deal with widespread home charging unless changes are made to the grid because it will not be able to handle 20 residents of one street charging their cars every night.

The Government promised to promote electric vehicles but did not provide additional grants in the budget. Instead, a tax measure was introduced whereby an employee who has an electric vehicle purchased on his or her behalf by an employer will be allowed to write off the benefit-in-kind element of the purchase. Having investigated this issue in the past couple of days, I have not yet encountered anyone who travels to and from work in an electric vehicle provided by an employer. Sinn Féin proposed to more than double the funding available for the electric vehicle grant to ensure take-up improves. Last year's allocation for this grant was €3.3 million. We proposed to increase this figure by almost €5 million. Only €9.1 million in grant funding has been drawn down since the scheme started.

There is also confusion regarding public charging points. This area is a mess and there is no plan to get out of it. The Commission for Energy Regulation issued a paper on public charging last week in which it stated there would "be no further funding of the assets through network charges" and it expected the ESB to arrange the sale of these assets. This is a reference to charging points which were installed and funded by the ESB and for which the company does not receive funding. The ESB informs me, as I am sure it has informed the Government and other parties, that it does not intend to continue to fund charging points. Moreover, the regulator has stated the company must sell off these assets. We need a plan to address this issue as otherwise we will not have public spaces for charging electric cars. Who will buy, finance and maintain charging points and who will build new points in future? Without public charging facilities, there will be no increase in the 1,946 electric vehicles on the roads.

Home charging of electric vehicles will work best alongside micro-generation. However, micro-generation must be co-ordinated and driven by the State if people are to take it up. Be it through small-scale wind power, solar photovoltaic systems or something else, microgeneration gives households, farms, small businesses and public buildings the ability to produce their own power. Many new schools have been built, for which I have given the Government credit in the Chamber and locally in my constituency. That is one of the good measures that the Government has implemented. However, the fine, big roofs on those schools are not catching all of that solar energy. Many of them have south-facing roofs. These should be catching solar power to heat the schools and generate electricity.

The deferred changes to household waste collection announced this year means that the Government has given these private companies free rein. Despite promises of a waiver scheme for low-income households, it has failed to materialise. There was talk of €70 in support of people with medical incontinence, of whom approximately 90,000 are registered with the HSE according to our figures. In our budget, we proposed that these households be given an increased amount of €100 and that a modest waiver of €100 per week be made available to the

next 100,000 lowest income households. This would be a phased waiver scheme. It cannot be done in one go because the cake is only so big and the money has to come from somewhere, but it is a costed measure. I appeal to the Government. The previous Government promised to do this but never did. Its members may have argued that times were harder and they were trying to deal with the financial emergency. That is fair enough, but we are now in a better place and I ask that the Government examine this matter again.

On Tuesday, the Minister mentioned the scourge of illegal dumping and the need to reduce and reuse. We agree. Sinn Féin has published a Bill, which I introduced in the Dáil in July, that would increase the fines for illegal dumping and, what is important, create a deposit return scheme. Our Bill was comprehensive, unlike the one-line or two-line Bill that has progressed to Second Stage in the Dáil. Our Bill would reduce waste volumes, which is the important aspect. We must tackle this problem at source. Besides increasing penalties, it places an obligation on landlords and tenants to ensure that households have a way of disposing of their waste.

We have the third highest electricity prices in Europe. These need to be reduced and we must examine the issue. With all of the hype around the budget, what did not get noticed much was the fact that a significant electricity and gas hike was announced over the weekend. One company will hike prices by in excess of 5% at a time when inflation is running at approximately 1%, so that is five times the inflation rate.

We need targeted measures, in particular to protect the 400,000 people living in households that suffer from energy poverty. We have set out specific measures to reduce energy bills for householders through, for example, the warmer homes scheme and replacing single-glazed windows. There are not many single-glazed windows left in the State, given that most houses, thankfully, have double glazing now. That is progress. Great work was done through the warmer homes scheme and the better energy homes scheme, and each of us has seen their benefit. However, there is a cohort of houses that still have single glazing, so we must move to address this issue. We included an extra €12.85 million in our budget to that end, but also to assist with microgeneration.

In short, we want to reduce our emissions, reduce the cost to households and create jobs, particularly in the regions. Here is an opportunity for rural Ireland. There has been much talk. Deputies talk the talk about rural Ireland, but renewable energy presents an opportunity to create real jobs, be they in County Kildare, Wexford, Laois, Galway or wherever.

I will move on to a different subject. I raised the issue of women's pensions in the Dáil last week. It was not the first time that our party had raised it. Last December, a motion that we tabled on this matter was, unfortunately, voted down by the two larger parties of Fianna Fáil and Fine Gael. It would have given women equality in their pension rights. The changes to the PRSI criteria made by the then Minister, Deputy Burton, in 2012 have penalised women. We need to change that, and Sinn Féin has provided for this change in our budget. We are not saying that we could change it on 1 January.

Deputy Martin Heydon: At €290 million.

Deputy Brian Stanley: Our budget would see it change on 1 July. We included the cost, which would be €35 million according to the Government's officials. This would address those who have lost out since 2012.

Deputy Martin Heydon: It would cost €290 million per year.

Deputy Brian Stanley: No. It would cost €70 million for these people whereas the Minister of State is referring to the whole lot. We are proposing to make a start on it by addressing those, especially women, who have lost out since 2012. According to replies to our parliamentary questions, €70 million per year would achieve that. We ask that this matter be revisited. Everything costs money and there is no easy solution, but we are proposing that we make a start on addressing this problem. We should move. The system discriminates against women. Unfortunately, they are losing out. They have come to every Deputy's office. Some are in a bad place because of this problem, so I plead with the three Ministers of State present to revisit it.

Minister of State at the Department of Defence (Deputy Paul Kehoe): Budget 2018 once again demonstrates the Government's commitment to our Defence Forces and to the men and women of Óglaigh na hÉireann who serve with distinction at home and abroad. The budget delivers an extra €25 million for 2018 and an additional €98 million for capital expenditure out to 2021. The combined defence allocation of €946 million comprises €707 million for Vote 36 - Defence, representing an increase of €15 million, and €239 million for Vote 35 - Army Pensions, an increase of €10 million, which I welcome. This will allow the Defence Forces to deliver on their operational outputs while the Army pensions allocation provides retirement benefits to more than 12,300 military pensioners and their dependants.

The 2018 pay allocation of some €509 million provides for the pay and allowances for a full-strength Permanent Defence Force, PDF, of 9,500 personnel, 550 civilian employees and 350 civil servants. I remain fully committed to achieving the establishment figure of 9,500 for the Defence Forces, and I have ensured that the Defence Vote has the necessary funding to deliver on this outcome. This year, approximately 800 new personnel will be inducted into the PDF, and I have initiated a new recruitment campaign to provide for the induction of further personnel in 2018.

During August, new pay scales were introduced, and backdated to July 2016, providing increased salaries for general service recruits who have joined since 2013. In recent months, PDFORRA members have received increases under the Lansdowne Road agreement, and further increases are available to all members of the PDF under the agreement's extension.

As with other areas of the public service, challenges have arisen for the Defence Forces in terms of the recruitment and retention of certain skilled personnel, including pilots and air traffic controllers. This challenge was highlighted by my Department's submission to the Public Service Pay Commission and can be considered when the commission begins its next phase of work shortly. Funding of €2 million for the Reserve Defence Force, RDF, is also included in the pay allocation.

The Government's commitment to the Defence Forces is further demonstrated by a significantly increased capital envelope for defence. The 2018-21 capital plan provides for €77 million in 2018, an extra €3 million; €106 million in 2019, an extra €21 million; €113 million in 2020, an extra €35 million; and €120 million in 2021, an extra €39 million. That is a total of €416 million over four years.

In 2018, this will allow us to continue investing in the Defence Forces' built infrastructure, including projects such as the ammunition secure storage depot upgrade in the Curragh, the accommodation upgrade at Pearse Barracks in the Curragh, and the locker block refurbishment at Cathal Brugha Barracks. It will also enable further investment in major equipment platforms, including the further development of the armoured personnel carrier fleet with the Mowag

mid-life upgrade and proceeding with the replacement of the Air Corps Cessna aircraft. On a personal level, I look forward to the delivery in mid-2018 of the fourth ship purchased under the naval vessels replacement programme, the *LÉ George Bernard Shaw*. Capital funding in 2018 will also facilitate the purchase of new and replacement ICT hardware and the acquisition of force protection equipment.

Looking forward towards 2021, the increased capital allocation of €98 million will enable the defence organisation to continue procuring major equipment platforms. In particular, it will enable us to replace the CASA maritime patrol aircraft operated by the Air Corps. I am delighted to have been able to secure the necessary funding for this major project. The increased capital allocation will also enable us to carry out a mid-life refit of the *LÉ Niamh* and *LÉ Róisín* and to commence the process of procuring a multi-role vessel to replace the *LÉ Eithne*. The 2018-21 capital allocation also facilitates the continuation of the Peace and Leadership Institute planning process in the Curragh in County Kildare. The 2018 allocation will allow Permanent Defence Force, PDF, personnel to continue to meet Government requirements for our overseas peace support missions. At 1 September last, 642 PDF personnel were deployed to ten different missions throughout the world. These roles are often difficult and challenging. However, the Defence Forces are highly trained, fully equipped and have the necessary training and skillset to cope and succeed in all environments. The Defence Forces will continue to provide essential support for An Garda Síochána, as required, throughout 2018. This support extends across many areas, including explosive ordnance disposal call-outs, Garda air support missions and Naval Service diving operations. Each year, as part of its aid to the civil authority role, the Defence Force provides invaluable support to local authorities, the HSE and the Garda Síochána in their emergency response efforts.

Other vital roles undertaken by the Defence Forces include air ambulance services, fishery protection duties, and emergency aeromedical support. The Defence Vote also provides funding for the Civil Defence. This funding provides supports to local Civil Defence units, such as central training as well as supplying vehicles, boats, uniforms and personal protective equipment for volunteers. Civil Defence volunteers provide tremendous support to the efforts of the front-line services in responding to major emergencies and I commend them for their efforts.

The Government appreciates the service of the Reserve Defence Force, RDF, and the White Paper on Defence is clear that there is a continued requirement to retain and develop the RDF. The strong volunteer base is at the core of the RDF and their dedication and service to their PDF support role is greatly appreciated.

The €25 million increase for defence in budget 2018 and the €98 million extra for capital expenditure enable implementation of the comprehensive strategic policy framework outlined in the White Paper on Defence, providing the necessary resources to the Defence Forces. The sensible and long-term investments outlined in this budget will ensure the Defence Forces continues to provide the platform from which we can build a republic of opportunity. It provides certainty so that the defence organisation can plan for the future knowing that it has the necessary resources to procure the capabilities required to undertake all roles assigned by Government, both at home and overseas.

Minister of State at the Department of Health (Deputy Catherine Byrne): I am delighted to announce that funding in budget 2018 has been allocated to target a number of key areas in health promotion and in supporting our most vulnerable health care users. Another €5 million will be available for the Healthy Ireland fund in 2018. Healthy Ireland is the national

framework for action to improve the health and well-being of people living in Ireland. The fund will support partnership working in different sectors and communities to help ensure our policies under Healthy Ireland have an impact at local level. It is important that we keep a focus on prevention and on empowering people and communities to improve their health and well-being. The announcement by the Minister, Deputy Donohoe, of his commitment to introduce a sugar tax in April 2018 is a very progressive step to tackle obesity. This supports our public health and well-being objectives, particularly by helping to improve the health of children and young people.

I welcome the increase in excise duty of 50 cent per pack of 20 cigarettes, together with the *pro rata* increases for other tobacco products and the additional 25 cent increase on a 30 gram pack of roll-your-own tobacco. This measure will help reduce the number of young people taking up smoking as well as encouraging smokers to quit or reduce the amount they smoke.

The increase in the VAT rate on sunbed services from 13.5% to the standard rate of 23% is also welcome. This was done in recognition of the clear link between sunbeds and skin cancer, the most common form of cancer in Ireland. Many young people have been diagnosed with skin cancer and it is a recognition of the fact that for many people sunbeds have led to the problems they have. Earlier this year we launched our new cancer strategy, of which prevention is the cornerstone. Any measures to help support people making healthier choices and reducing their risk of cancer are very welcome.

In the area of social inclusion and supporting the most vulnerable, significant additional funding of €9 million has been provided for 2018. In July we launched our new strategy, Reducing Harm, Supporting Recovery. This strategy takes a health-led, person-centred approach to drug and alcohol use in Ireland. I am pleased to inform the House that significant additional resources are being made available in 2018 to ensure immediate progress on priority actions from the strategy, including expanding drug and alcohol services, with the objective of reducing waiting times and promoting person-centred care. This will include the establishment of a treatment service in Kildare and the enhancement of treatment capacity in other areas; developing a new programme to promote community awareness of alcohol-related harm, which will be introduced during 2018; increasing the number of drug liaison midwives to five by the end of 2018 to improve the link between maternity services and the drug and alcohol treatment services outside the capital; and developing a targeted new youth services scheme for young people at risk of substance misuse in socially and economically disadvantaged communities. In addition, the Government intends to maintain a focus on the health needs of the most vulnerable groups in society, particularly those who experience health inequalities, have difficulties accessing services and present with multiple, complex health and support needs. The significant increased funding for social inclusion will be used to respond to the pressing health needs of refugees arriving in emergency reception and orientation centres by improving access to primary care services, with a particular focus on addressing their oral health needs. It will also be used to address the health needs of people who are homeless and have mental health and addiction issues in line with the Rebuilding Ireland and Reducing Harm, Supporting Recovery strategies. We intend to increase the level of expenditure on health supports and specialist in-reach services in order to make every effort to remove barriers to health care experienced by those affected by homelessness and addiction. It will increase the capacity of the mobile health clinic, currently providing outreach services for hard-to-reach homeless people with complex needs in the Dublin area to operate on a five-day a week basis.

I have heard this afternoon from some contributors that the budget is like a cake: it depends

on how it is sliced up. This time, the slice for many people may not have been as significant as they believed it should have been but we have reached a point where recovery is on the way. In future, we will have a better economy and society for most people who are struggling to survive on a daily basis, as many have said. This is only the beginning of the cutting of the cake. I hope we can continue to build on it into the future.

An Ceann Comhairle: We are short on time so at some stage Deputy Heydon will have to propose the adjournment.

Deputy Martin Heydon: Will I be cut off in the middle? I will do my best but it is hard in limited time to cover all the points I want to cover. There are a number of specific points on my constituency of Kildare South that I would like to make in the context of the budget. I acknowledge the mention in the Minister's speech on Tuesday of the Osberstown interchange and the Sallins bypass which form part of the broader M7 road widening which is welcome and badly needed for Kildare South commuters. I am mindful of all of that money going to Kildare County Council. We have the very important and long-awaited southern distributor route for Athy which is at an advanced stage in the planning process. An Bord Pleanála is due to publish its decision on it imminently in the coming days. When it does, I hope money that goes into the Department of Transport, Tourism and Sport capital plan can be secured as quickly as possible. Kildare County Council, working in conjunction with the Department of Transport, Tourism and Sport, will ensure there will be no delay in getting us onto the next phase. Hopefully we will get positive news on the planning front in the coming days. It is a critical road project as the Ceann Comhairle is aware. It is one the people of Athy have waited for for over 40 years. The resurrection of that project occurred in 2014 when the then Minister of Transport, Tourism and Sport, Deputy Leo Varadkar, got it on to the capital plan and allowed Kildare County Council to reactivate the project. It is good to see the progress but we need to keep the pressure on it.

Another area which the Ceann Comhairle will be particularly familiar with and which I want to touch on is the child care budget and the additional funding of €40.6 million to Tusla. There are 109 family resource centres around the country, two of which are in Kildare. They are two fantastic centres in Newbridge and the Curragh.

However, for a county of that size, which has the country's fifth largest population with more than 240,000 people - including one of the country's largest youth populations - to have two family resource centres is way behind most counties. County Kerry has 12, while County Donegal has nine. We have a number of centres acting as family resource centres in everything except name and funding. I welcome the 11 new family resource centres. County Kildare badly needs to catch up with other counties and the catch-up must start here. I would love to see Teach Dara in Kildare town get the recognition for the work it does and get the funding it needs as a family resource centre, as well as additional supports. I would like to see further family resource centres developed in places such as Athy, Castledermot and Rathangan because the work they do is phenomenal and badly needed. It is money really well spent, which we get back in spades in terms of preventive costs down the line.

An additional €40 million has been provided for primary care services. I hope this money will see us drive on with the long-awaited Athy primary care centre. I was heavily involved in securing the shirt factory site in recent weeks and I am delighted to see it cross the line. We were disappointed that the town centre location, which had been worked on for some time, fell through. It would have enhanced the streetscape. The Dominican site and others were

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considered, but the shirt factory site is also a very good site. The development of the southern distributor route behind it will ensure ease of access. Athy badly needs a primary care centre. I hope the planning application will be processed in the coming weeks. Once we receive the planning permission, I hope that some of the €40 million will go towards delivering this primary care centre for Athy.

Day care services are currently operating out of Monesterevin GAA club. There is an HSE building on Drogheda Street. The HSE is undergoing detailed design work at the moment. Ultimately while we need to see enhanced older person services, that application has gone through the primary care services. I hope this additional funding will give us the opportunity to get that delivered.

An Ceann Comhairle: I will ask the Deputy to propose the adjournment. He is still in possession and will have four minutes remaining.

Debate adjourned.

The Dáil adjourned at 4 p.m. until 2 p.m. on Tuesday, 17 October 2017.