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DÍOSPÓIREACHTAÍ PARLAIMINTE

PARLIAMENTARY DEBATES

DÁIL ÉIREANN

TUAIRISC OIFIGIÚIL—*Neamhcheartaithe*

(OFFICIAL REPORT—*Unrevised*)

DÁIL ÉIREANN

Dé Máirt, 8 Deireadh Fómhair 2019

Tuesday, 8 October 2019

Chuaigh an Ceann Comhairle i gceannas ar 1 p.m.

Paidir.
Prayer.

Financial Resolutions

Budget Statement 2020

Minister for Finance (Deputy Paschal Donohoe): A Cheann Comhairle, this is a budget without precedent.

INTRODUCTION

In bringing it to this House, we seek to manage risk for our nation while aiming to make progress on so much, from the health of our national finances to the quality of our public services and to the great challenge of climate change. But these are also times without precedent. As we respond, we do so with the resources of a well-run economy and the purpose and certainty of good government and responsible politics. This is a budget that has been developed in the shadow of Brexit. And the context for Brexit has now shifted to no deal as our central assumption. This does not mean that no deal is inevitable. But equally we stand ready if it does happen.

In preparing for no deal, we can ensure that the Government has the necessary resources at its disposal to meet the impact of Brexit while keeping our public finances on the credible path they have been on since 2011. Our responsible management of the public finances means that we will meet the challenge of a no-deal Brexit from a position of strength. This year we have eliminated our deficit and are projecting a surplus of 0.2% of our national income. In the event that the UK leaves the EU with an agreement, we will continue to build on this surplus. In the event of no deal, we will intervene in a sustained and meaningful way to support jobs and our economy. We stand ready to act.

Intervening to support the economy in the event of a no-deal scenario will see our surplus swing to a deficit of 0.6% of our national income next year. However, there is large uncertainty around this given the unprecedented nature of a disorderly Brexit. While this would be a setback, it is important to place it in the context of our recent strong performance in restoring the public finances – for example, moving from a deficit of 2% of national income in 2015 to a balanced budget last year while meeting the demands of a growing population. It is also the right thing to do for our economy, for our society and for our citizens, for whom Brexit is something they did not choose and had no hand, act or part in. Make no mistake: a no-deal Brexit will be very challenging for our country, but it is a challenge Ireland has the measure of. I wish to acknowledge the contribution of my Government colleagues in preparing this budget and the very positive and constructive engagement of the main Opposition party in the context of the confidence and supply agreement.

PREPARING FOR BREXIT

Brexit is the most pressing and immediate risk to our economy and with just 23 days to go before the UK is due to withdraw from the EU, the decisions I am announcing today have been influenced by the increasing likelihood of a no-deal scenario. I stated in the summer economic statement that the economy is poised at a point between the twin risks of potential overheating and Brexit. In addition, risks to the global economy are multiplying. A no-deal Brexit will mean a slower pace of growth in Ireland. However, this would be on a different scale to the multiple crises our economy faced during the great recession. Employment growth will slow, but we still expect to be able to create an additional 19,000 jobs next year. An increase in tax revenue is also in prospect.

Equally, however, the risks associated with a no-deal outcome could become more severe than forecast. The rate at which we create new jobs may be slower, which could influence the tax we collect. And while currently low, the cost of borrowing and market sentiment can shift rapidly, as our recent experience shows. The Government is clear about the challenges posed by Brexit. It is why we have been preparing since before the referendum in 2016. At all times we have sought to protect our citizens and support the economy, enterprise and jobs. To date, we have published two comprehensive contingency action plans, increased physical capacity at our ports and airports, provided training and financial supports to increase our customs capacity and recruited 750 additional staff. In addition, we have made up to €600 million available through the future growth loan scheme and the Brexit loan scheme. This is already helping our businesses to mitigate the risks of Brexit. However, our central economic scenario is for a no-deal Brexit. This means that we must increase again the level and range of supports to ensure our economy is protected. That is why I am today announcing a package of over €1.2 billion, excluding EU funding, to respond to Brexit. This package is in two parts. In the first part I am making approximately €200 million in Brexit expenditure available next year. I am allocating this across a number of Departments and agencies to increase our staffing, upgrade our ports and airports and invest in technology and facilities management we will need. This is to ensure we are ready for Brexit, whatever form it takes.

STANDING READY FOR NO DEAL

However, if a no-deal Brexit happens, we will intervene to further protect our economy. This intervention will be based on the following principles. This funding is available to manage a no-deal Brexit. It will be borrowed money. If we do not need it, we will not borrow it. If a no-deal Brexit does not happen, it will not be borrowed for other purposes. A no-deal Brexit is unpredictable and different sectors could be impacted on in different ways. Our response will demand flexibility and responsiveness. In the event of no deal, €650 million will be made available to support the agriculture, enterprise and tourism sectors and assist the most affected citizens and regions. Of this, €220 million will be deployed immediately in the event of a no-deal Brexit. From this, €110 million for enterprises has been identified for the first wave of funding for targeted new interventions to help vulnerable but viable firms to adjust to a no-deal Brexit. These interventions will support firms of all sizes at all levels of difficulty, with a particular focus on sectors most exposed, including food, manufacturing and internationally traded services. Support will be by way of grants, loans and equity investment and include a €45 million transition fund, a €42 million rescue and restructuring fund, an €8 million fund for food and non-food businesses, extra funding for Microfinance Ireland, €5 million for the local enterprise offices' emergency Brexit fund and additional funding for InterTradeIreland and our regulatory bodies.

The figure of €110 million will be provided through the Department of Agriculture, Food and the Marine's Vote in the event of a no-deal Brexit. The provision of immediate supports for our beef sector will be a first priority, as will support for our fishing fleet. We also want to support food companies to reorient towards new products and markets. To do this, €85 million will be provided for beef farmers, €14 million for fisheries, €6 million for other livestock farmers and the mushroom sector and €5 million for the food and drinks processing industry.

In addition, €40 million of funding for the tourism sector will be provided from this contingency fund. This funding will focus on regions most affected by a no-deal Brexit, how we would further advertise in the British market, dedicated promotions in other key tourism markets, encouraging direct access to our regional airports and ports from overseas markets and domestically for Fáilte Ireland to support tourism enterprises through the Brexit response programme.

Deputy Mattie McGrath: And greyhound racing.

Deputy Paschal Donohoe: The sequencing and deployment of the balance of the €390 million of Brexit contingency funding will be determined closer to the time. This funding will assist our farms, businesses and citizens should a no-deal Brexit happen. Alongside this, €365 million will also be provided for extra social protection expenditure to support those at risk of losing their jobs or who have lost them, with a further €45 million being made available to assist people to transition to new work. I believe these supports will be sufficient, but, if required, this Government stands ready to do more.

RAINY DAY FUND

If the economic impact of a no-deal Brexit is more severe than forecast, I am prepared to use resources that would otherwise have been dedicated to the rainy day fund. The rationale for this fund is to accumulate funding that can be deployed in the event of an adverse shock to our economy. Given the small size and openness of our economy, the use of this type of funding is an important way to protect our economy in challenging times. My original intention was to transfer €500 million to this fund from the Exchequer this year, with an additional €1.5 billion being transferred from the Ireland Strategic Investment Fund. While I am committing to the transfer of the €1.5 billion, given that a no-deal Brexit is more likely, I have decided not to transfer the additional €500 million from the Exchequer this year. This is the appropriate response to the more challenging economic environment we may be facing. It will ensure we have in place the right supports in order that our economy is protected from the impacts of Brexit and that the Government can continue to protect public services in the years ahead.

ECONOMIC PROGRESS IN 2019

As we prepare for Brexit, I can confirm to the House that our economy is in a strong position. After a long and difficult journey, balance was finally restored to the public finances last year. Despite many challenges, our economic growth is broadly based. Public capital investment, investment in our future, will increase by 22% this year. The unemployment rate has fallen to 5.3% from a peak of 16% in 2012. Tax revenues are largely in line with forecasts for this year, with €40.7 billion collected to the end of September, an annual increase of 8.7%. We expect to meet our revised target of €58.6 billion by the end of the year.

The Department of Finance, with the endorsement of the Irish Fiscal Advisory Council, IFAC, is forecasting gross domestic product growth of 5.5% for the year, up from 3.9% in our update earlier in the year. The economy is forecast to grow by 0.7% next year. IFAC has also pointed to the uncertainty around this, given the unprecedented nature of a disorderly Brexit, and I share this assessment. The same is true for the forecast of the budgetary position for next year. My Department is forecasting a deficit of 0.6%, but in reality there is a wide margin around this, given the unprecedented nature of this event. Furthermore, it does not take into account any expenditure from the rainy day fund.

It is imperative to boost the resilience of the Irish economy in order to minimise, insofar as is possible, any future disruption. This budget is designed to protect recent progress in our economy. It will act as a bridge to a better future for our country. Crucial to this will be how we manage our public spending.

SUSTAINABLE EXPENDITURE

Since 2011 we have diversified our economy and it is now more balanced. In the run-up to the crisis, nearly 11% of jobs in the Irish economy were in construction. Today, that figure is just above 6%. When it comes to the public finances, the contrast is stark. At the peak of the last economic cycle, day-to-day spending had grown by 57%, an average increase of 11% each year. By contrast, between 2015 and 2019, as we emerged from the bailout period and with significant pent-up pressures in our society and economy, day-to-day spending has grown by a more modest 19% – an average annual growth rate in the region of 4%. As such, we are entering a time of change with this strength and I am confident that we are more than capable of meeting the challenges ahead.

Therefore, today's budget has two strands to it. The first strand, much of which I have dealt with, deals with the extra steps we are now taking to face up to the very real risk of a no-deal Brexit. The second will ensure that we can improve our public services and help our most vulnerable citizens. The sustainable funding and effective delivery of our public services is the touchstone for good government. It is an important principle that, when a Government sets out its plans for the future budget, people should have confidence that the Government will indeed deliver a budget of this scale – not more, and certainly not less.

As Minister for Finance and Public Expenditure and Reform, I take this responsibility very seriously and this is what we have endeavoured to do. In the past, it has proven difficult to deliver a budget in October which lines up closely and exactly with the Government's plans from the first half of the year. In part, this was due to cost pressures that have arisen especially in the health sector. Those overruns have had to be dealt with, on top of the planned budgetary package. As IFAC has stated, this is not a satisfactory way to manage the budget process from year to year. I accept that.

This year marks a turning point in responding to these issues. In total, the Supplementary Estimates that I am providing this year are less than half of last year's. Yes, they are still high, but a significant reduction has occurred.

My colleague the Minister for Health and the new leadership team in the HSE have succeeded in containing the additional pressures in the health sector to less than half of the level of last year. The new HSE governance board can now prepare a 2020 national service plan with improved health services for our citizens and without carrying over a large financial overhang from this year. In other words, we will see a full transition to a new and more stable model of governance within the health sector.

In the summer economic statement I stated that €2.8 billion of additional resources were available for 2020. Of this, €2.1 billion has been pre-committed, leaving €700 million to be allocated. To enhance the resources available for allocation in the budget, I am implementing targeted tax changes to the net value of around €300 million. This is paying for additional expenditure, bringing the total net budget package to just over €2.9 billion. This package incorporates fully the extra expenditure pressures to be carried over from 2019. Current spending will increase by 3.5% compared with what we expect to spend by the end of this year. I believe this is appropriate at this point in the economic cycle.

It is different; we are looking to take on board concerns that have been offered. This approach balances stability – a very precious commodity in these uncertain times – with the need to protect and enhance the public services that our citizens depend upon. The details of these increases, and what they mean for our public services, are set out in the expenditure report. Total voted expenditure in 2020 will be €70 billion. This will allow Government to fund new capital projects, respond to change in our society and provide targeted improvements in public services.

CLIMATE CHANGE

While Brexit represents our most immediate economic risk, climate change is without doubt our defining challenge. We need to prove that we can grow the economy while reducing our environmental impact. For the first time, we now have a plan that sets out a pathway towards achieving our 2030 climate and energy targets. The climate action plan will be supported by the climate-related national development plan investment of €8.1 billion and a further €13.7 billion of investment by our State companies. However, this investment, by itself, will not solve our climate challenge.

CARBON TAX

Bold and new decisions are needed on our investment priorities but also on taxation and regulation. Carbon pricing is part of this. There is cross-party support, or nearly cross-party support-----

Deputies: Nearly.

Deputy Paschal Donohoe: -----to increase the price of carbon from €20 today to €80 per tonne by 2030. This would raise an additional €6 billion that could be invested in decarbonising our economy while also protecting the most vulnerable from the increases in living costs associated with the carbon change. I know that this will not be easy for everyone.

Deputy Michael Healy-Rae: The Minister can be sure of that.

Deputy Paschal Donohoe: Therefore, instead of a larger increase in any one year, I am committed to a €6 increase as a first step towards this target. It is the Government's intention and my ambition to increase this steadily to meet the 2030 target. This increase will apply from midnight tonight to auto fuels but its application to other fuels will be delayed until May 2020, after the winter heating season. This measure will raise €90 million in 2020 all of which will be ring-fenced to fund new climate action measures which will protect the most vulnerable in our society; change how we travel-----

Deputy Mattie McGrath: The Minister wants people walking.

Deputy Paschal Donohoe: -----deliver new environmental schemes in Irish food and agriculture; and invest in our low-carbon future.

Investing in our low-carbon future

We know that climate disruption is already impacting our country. In the midlands in particular, job losses are already being experienced. Midlands communities understandably feel very threatened by the potential closure of Bord Na Móna and ESB power stations in their region. These companies have sustained families and communities for many decades. While it is accepted that there is a need to change, it is the Government's duty to ensure that no one group of citizens, workers, communities or enterprises is left behind by this disruption and our midlands will be the first region facing this change. This is why I am using a portion of the carbon tax revenues next year to fund a package targeted at the midlands. The Government will work with local communities on the best use of this funding. A sum of €20 million will be dedicated to the creation of a new energy efficiency scheme targeted initially at the social housing stock in the region. This aims to create new, sustainable employment in the region. I am providing a further €5 million for peatlands rehabilitation. This is a 250% increase in the budget allocated for rehabilitation to support the reduction of greenhouse gas emissions and to enhance biodiversity. In addition, a dedicated new just transition fund is being created. This fund will be devoted to those priorities identified by the communities. A sum of €6 million will be available for this fund in 2020. To help communities determine the most pressing priorities, the Minister for Communications, Climate Action and Environment, Deputy Bruton, will shortly appoint a just transition commissioner. The commissioner will engage with all relevant stakeholders in the midlands-----

Deputy Mattie McGrath: A quango.

Deputy Paschal Donohoe: -----including Bord na Móna and the relevant unions, and will work closely with the National Economic and Social Council, NESC, and with a local task force. Investment of this scale in energy efficiency will support more than 400 environmentally sustainable jobs, with up to 100 more jobs through expanded peatlands rehabilitation.

Other climate-related tax changes

In relation to tax measures and in support of climate and public health policy, I am replacing the 1% diesel surcharge introduced last year with a nitrogen oxide, NOx, emissions-based charge. This surcharge will apply to all passenger cars registering for the first time in the State from 1 January 2020. The charge will apply on a euro per milligram-kilometre basis, with the rate increasing in line with the level of nitrogen oxide emitted. The surcharge reflects the detrimental effect of these emissions on our environment and will have a particular impact on older, more pollutant cars. In addition, in the finance Bill, I will introduce an environmental rationale for benefit-in-kind for commercial vehicles from 2023; extend the benefit-in-kind zero rate on electric vehicles to 2022; extend vehicle registration tax, VRT, reliefs for conventional and plug-in hybrids to 2020, subject to CO2 thresholds; reduce qualifying CO2 thresholds for reliefs in respect of capital allowances and value added tax, VAT, reclaim on commercial vehicles; and provide additional relief through the diesel rebate scheme to hauliers to compensate that sector at a time of risk for them and us for the increased cost of fuel.

Furthermore, in line with the recommendation in the climate action plan, I am equalising electricity tax rates for business and non-business. These are necessary, and I acknowledge challenging, changes to support our transition to a low-carbon economy. This is important across all sectors, including for our businesses.

SUPPORTING IRISH BUSINESS

This is because more people are employed in our country today than ever before and this reflects the vital contribution that businesses make to our economy. Our goal in government is to support businesses to compete both at home and abroad. This is even more important with Brexit approaching. Future Jobs Ireland, along with Project Ireland 2040, Global Ireland 2025 and the climate action plan, represent an integrated approach to prepare for the opportunities and challenges of the future. The Government is backing businesses by allocating nearly €1 billion to the Department of Business, Enterprise and Innovation in 2020. This is a 2% increase and will allow the Department and our enterprise agencies to continue to support business into the future. Ten million euro of this increase will go towards the disruptive technologies innovation fund, meaning a total amount of €30 million will be available for co-funded projects involving enterprises and research partners in 2020. One of the key challenges for our small and medium enterprises, SMEs, is Brexit and I am conscious that a disorderly Brexit will present unique challenges. This is why we already have in place a suite of supports for enterprises, including the Brexit loan scheme and the future growth loan scheme, which are providing up to €600 million in supports for businesses. I am also announcing today a timely package of improvements to a number of tax supports for Irish business.

Key Employee Engagement Programme, KEEP

I am providing for KEEP to apply to company group structures as well as allowing for greater flexibility for employees to move within such structures. I am also adjusting the rules of the scheme to allow for part-time and family-friendly working arrangements for KEEP employees. These changes are subject to State aid approval.

Employment and Investment Incentive, EII

I also intend to continue the reform of EII, which I started last year. I am allowing for full income tax relief to be provided in the year of investment rather than splitting it over years one and four as has been the case up to now. I also intend to increase the annual investment limit for the incentive to €250,000 and provide for a new €500,000 annual investment limit being introduced for those investors who are prepared to invest in EII for ten years or more. The legislation will provide that these changes to EII will apply from today's date. Full details regarding

KEEP and EII will be included in the finance Bill.

Research and Development Tax Credit

Research and development plays an important role in the economy by contributing to innovation and productivity and ensuring that Ireland is competitive in attracting quality employment and investment. That is why I am pleased to announce a number of changes to our long-standing research and development tax credit, with a particular focus on supporting claims to the credit by smaller companies. First, I am increasing the credit from 25% to 30% for micro and small companies, and I will allow an improved method of calculating the limit on payable credit. I am also introducing a new provision to allow micro and small companies to claim the tax credit on qualifying pre-trading research and development expenditure before commencing to trade. While pre-trading, the credit will be limited to offset against VAT and payroll taxes. These measures will be introduced subject to State aid approval.

Finally, in respect of all claimants, I am increasing the current limit to third level institutes of education from 5% to 15%. This may be of particular benefit to smaller companies who rely on outsourcing to undertake research and development, and it will also support research and development activities in the third level sector.

Special Assignee Relief Programme, SARP, and the Foreign Earnings Deduction, FED.

Earlier this year, I commissioned an independent review of the SARP and the FED. The review confirms the rationale for the existence and continuation of both these schemes. In addition to the changes to the supports that I have just mentioned, and consistent with the findings of the review and my Department's tax expenditure guidelines, I will extend SARP and FED until the end of 2022.

Revised Capital Gains Tax Entrepreneurial Relief

Following the findings of an external review of the revised capital gains tax entrepreneurial relief, I do not propose to make any changes to the relief at this time but have asked my Department to consider the outcome of the review to determine any changes that could be made to the relief to better support entrepreneurs and entrepreneurial activity. Micro breweries

In order to allow larger microbreweries to expand, particularly with regard to their export sales, I am increasing the qualifying production threshold from 40,000 hl to 50,000 hl. I am retaining the cap of 30,000 hl as the volume of relief upon which claims can be made.

Betting Tax

In recognition of the difficulties experienced by small independent bookmakers, I am introducing a relief from betting duty and betting intermediary duty up to a limit of €50,000 per calendar year. This is subject to the conditions laid down in state aid regulations. Another key area we must secure for the future is our rural economy, which supports thousands of jobs-----

Deputy Mattie McGrath: The Minister found out where rural Ireland is.

Deputy Paschal Donohoe: -----in increasingly diverse areas.

Extension of relief for farm restructuring

As such, and subject to state aid approval, I am extending the farm restructuring relief, introduced in budget 2013, to the end of 2022, with no change to the conditions of the relief.

AGRICULTURE AND RURAL DEVELOPMENT

Agriculture and rural development are cornerstones of our economy. They support so many thousands of jobs. However, the challenges facing our rural economy, such as Brexit, changes in the global economy and climate change, will require change over time. This is why the Government is investing nearly €2 billion in rural Ireland in 2020. This includes an additional €51 million for the Department of Agriculture, Food and the Marine and €17 million for the Department of Rural and Community Development. Within this, I am allocating €3 million to pilot new agri-environmental schemes in 2020. The schemes will help to reduce emissions from the sector while improving biodiversity and water quality and supporting farm incomes.

Deputy Mattie McGrath: The Government will not pay for the applications.

Deputy Paschal Donohoe: Conscious of the particular impact that a no-deal Brexit will have on our rural economy, the Government stands ready to further increase the level of investment already in place.

TOURISM

The tourism sector is another key part of our economy, rooted in communities and supporting rural job creation. It has been performing very well in recent years. A record 10.6 million visitors from abroad last year has led to a record number of jobs in the sector. However, I understand the concerns for the future of our tourism sector. These stem from the slowdown in economic growth in our main tourism markets, in addition to the known negative impacts that a no-deal Brexit would have. To support the sector in 2020, I am allocating €40 million for tourism specific initiatives and the Government will further support the industry should a no-deal Brexit happen.

GLOBAL IRELAND

The Government will also support the tourism sector by continuing to promote and strengthen our position internationally. As part of our Brexit strategy, we will continue to explore new markets for our businesses and to promote our international profile through Global Ireland 2025, which aims to double our global footprint. In this context, I am pleased to announce an increase of €21 million in Ireland's overseas development assistance next year. This means that Ireland will provide €837 million in 2020 to be invested in less developed countries. As part of this, I am announcing that Ireland will double its annual contribution to the green climate fund, which provides much-needed financial support to reduce greenhouse gas emissions in developing countries.

TRANSPORT

Transforming our approach to transport is also one of the ways we will rise to this challenge. Our climate section plan sets out our vision. In order to support the sector, I am allocating €2.7 billion to the Department of Transport, Tourism and Sport next year. This is a substantial increase of €384 million on 2019. This will include investment in our rural transport network.

Deputy Mattie McGrath: We are all walking now, thanks to the Minister for Transport, Tourism and Sport, Deputy Ross.

Deputy Paschal Donohoe: This funding includes a portion of the 2020 carbon tax revenues to support the sector. From this, I am providing €9 million for sustainable mobility projects around the country, including for greenways and new urban cycling projects.

Deputy Finian McGrath: Rural Ireland.

Deputy Paschal Donohoe: I am allocating an additional €3 million for electric vehicle infrastructure. This will double the number of local authority on-street charge points that will be installed in 2020-----

Deputy Mattie McGrath: The Minister for Transport, Tourism and Sport, Deputy Ross, can charge his car.

Deputy Paschal Donohoe: -----support a new scheme to install communal charging points at apartment blocks and facilitate the roll-out of fast charging points to taxi ranks at transport hubs around the country. In addition, €8 million will be allocated to the Department of Communications, Climate Action and Environment to maintain grants for individuals purchasing electric cars. These measures represent critical steps to future-proof our transport system.

CULTURE, HERITAGE AND THE GAELTACHT

In the area of culture, I am pleased to be providing additional allocations in 2020 to facilitate our commemorations programme, increased support for artists and culture, increased investment in the Gaeltacht and our language and increased support for biodiversity and the restoration of our peatlands. This builds on the increases in cultural investment of previous years.

HOUSING

Another area where further investment is required is in housing. Following years of under-investment, the Government has allocated €6.6 billion for the delivery of social housing supports in the past four years. Building on this, I am allocating over €2.5 billion to the housing programme in 2020. This is an unprecedented level of investment that will allow the Government to continue to respond to the significant increase in demand for housing supports while prioritising investment in our social housing programme. In the wider housing market, there has been an 82% increase in new dwelling completions between 2016 and 2018.

Deputy Mattie McGrath: That is some maths.

Deputy Paschal Donohoe: House price increases are moderating and Government policies are helping but more needs to be done. We will also continue to engage with the credit union movement on appropriate mechanisms for it to establish a vehicle-----

Deputy Mattie McGrath: The Government has hijacked approved housing bodies.

Deputy Paschal Donohoe: -----to invest in approved housing bodies.

Homelessness

Despite the significant investment in homelessness in the past couple of years, the numbers in receipt of homeless services of course remains too high. Therefore, I am allocating a further €20 million for homeless services, bringing total funding to €166 million in 2020. This will provide support to citizens in emergency accommodation and increase preventative measures, long-term support and day services.

Social Housing

In the area of social housing, I am allocating capital funding of over €1.1 billion to support the delivery of over 11,000 new social homes in 2020. A further 12,000 units will be delivered in 2021. I am providing an additional €80 million for the housing assistance payment scheme next year. This funding will support the existing tenancies availing of the payment, as well as an additional 15,750 new tenancies next year.

Affordability

In order to assist with the provision of new and affordable homes, an additional €17.5 million is being provided to the Land Development Agency and €186 million is being allocated for the serviced sites fund and the local infrastructure housing activation fund in 2020.

Regeneration and Development

The Government is making €130 million of investment available for urban regeneration and development funding, which will support projects that will contribute to the rejuvenation of our main cities and large towns.

Rental Market

The high cost of renting is a key concern for the Government. In response, we have introduced rent pressure zones and there are now 44 in operation throughout the State. In budget 2020, I am providing almost €2 million in additional funding to the Residential Tenancies Board to support its increased powers to investigate and sanction non-compliance with rent pressure zone measures.

Help to Buy

To date, some 15,000 new homes have been purchased or built by first-time buyers under the help to buy scheme. To provide certainty to those who are hoping to buy their first home soon and to those who are planning and building those homes, I am extending the incentive in its current form-----

Deputy Paul Murphy: At a healthy profit for the developers.

Deputy Paschal Donohoe: -----for a further period of two years to the end of 2021.

Living City Initiative

I can also confirm to the House an extension to the living city initiative to the end of 2022.

Stamp Duty

I have decided to increase the rate of stamp duty applicable to non-residential property by 1.5% with effect from tonight. The commercial property market continues to perform strongly and I expect this increase can be borne by the sector without any significant impact. There are long-standing relief measures that should mitigate the increase in certain circumstances. Normal transitional arrangements will apply for transactions in process.

Stamp Duty Change - Company Acquisitions

I have decided that, with effect from tonight, stamp duty at the rate of 1% will be applicable where a scheme of arrangement involving a so-called "cancellation scheme" in accordance with Part 9 of the Companies Act 2014 is used for the sale of a company. Full details on these two measures will be contained in the financial resolution to be presented to the House later this evening.

HEALTH

The Government has overseen the largest investment in our health service in the history of our State. Building on this, I today announce that current health expenditure is set to increase by 6.3% to €17.4 billion in 2020. This represents a €1 billion increase, which will be used to fund a Supplementary Estimate of €335 million and will ensure that we can continue to respond to the significant demographic changes that are placing greater demands on our health services.

Deputy Mattie McGrath: There are no services.

Deputy Paschal Donohoe: Among other changes, I am announcing an additional €25 million in the National Treatment Purchase Fund and will reduce prescription charges for all persons by 50 cent.

Deputy Finian McGrath: Hear, hear.

Deputy Paschal Donohoe: The monthly threshold for the drug payment scheme is being reduced by €10 per month and I am increasing medical card income thresholds for people over 70 by €50 for a single person or €150 for a couple per week. This will benefit up to 56,000 citizens.

Deputy Finian McGrath: Hear, hear.

Deputy Paschal Donohoe: Following the success of the roll-out of free GP care to under-sixes, the Government intends to expand, from September, free GP care to children under eight and free dental care for children under six.

Deputy Finian McGrath: Good man, Deputy Harris.

Deputy Paschal Donohoe: These changes represent important cost-of-living reductions for the most vulnerable in our society. To provide support for older people to be cared for in their own homes instead of in hospital or residential care settings, 1 million additional home care hours will be provided in 2020.

Deputy Finian McGrath: Hear, hear.

Deputy Mattie McGrath: Staff are not being recruited. That cannot be delivered.

Deputy Paschal Donohoe: Funding to support the Sláintecare implementation strategy will include a ring-fenced Sláintecare integration fund of €20 million, a €12 million care redesign fund, as well as new investment to improve and enhance community healthcare services with the recruitment of up to 1,000 therapists, nurses and other healthcare professionals.

Tobacco

I am increasing excise duty on a pack of 20 cigarettes by 50 cent, with a *pro rata* increase on other tobacco products.

Deputy Barry Cowen: There was no "hear, hear" from Deputy Finian McGrath for that. He has to pay for something.

Deputy Paschal Donohoe: This will bring the price of cigarettes in the most popular price category to €13.50.

EDUCATION

Education is another area that has been prioritised by this Government. Over €11 billion will be provided to the Department of Education and Skills in 2020. This is the highest ever allocation to the sector and an increase of nearly €2 billion since 2016. Within this allocation, I am providing for over 150 new mainstream teaching posts in schools and investment of €1.9 billion in special education. This will provide over 400 additional teaching posts to support those with special educational needs and for the hiring of over 1,000 additional special needs assistants, SNAs.

Deputy Finian McGrath: Hear, hear.

Deputy Paschal Donohoe: We will have more SNAs in schools than ever before. I am also providing funding for a schools package, including supports for small schools, increases in the standard and enhanced capitation rates and additional funding for school books in primary schools.

Additional funding of €190 million has been invested into the higher and further education and training sector since 2018. This has been secured through a phased increase in the National Training Fund levy. A final 0.1% increase in the levy in 2020 will enable a further €74 million investment. This investment is aimed to enable reskilling and further learning. This will complement the major investment in higher education in addition to the €300 million human capital initiative. An additional €60 million in 2020 funding will provide an estimated 3,000 additional places in priority skills areas and drive continued reform and innovation of our higher education system.

CHILDREN

I am allocating an additional €94 million to the Department of Children and Youth Affairs. With this, I am increasing the allocation for Tusla, the Child and Family Agency, by over €29 million. This is to support the continued reduction in the number of children per social worker and address cost pressures in private residential and foster care.

Funding for early learning and childcare will increase by €54 million. This is to support the continued provision of two years early childhood care and education, ECCE, for all children, to ensure the full participation of children with disabilities under the access and inclusion model and to support the introduction of the national childcare scheme.

PROMOTING SAFER COMMUNITIES

The Government is also delivering in the area of justice and policing. Investment in the sector will increase by €120 million in 2020, an increase of 4.7%. Next year, I am increasing the budget of An Garda Síochána by €81 million. This is to deliver up to 700 new Garda recruits.

Deputy Mattie McGrath: Will they be paid overtime this year?

Deputy Paschal Donohoe: In addition, extra civilian staff will allow more trained gardaí to return to front-line policing. I am allocating an additional €39 million in current expenditure to the broader justice sector, an increase of 4.8%. This will fund increasing costs in direct provision and greater levels of activity in the Courts Service and the Prison Service. In addition, the Abhaile scheme has been extended for people in mortgage arrears and 2020 will see the establishment of the judicial council.

I am also increasing capital investment. An allocation of €265 million in 2020 will support the construction of the new forensic science laboratory; the redevelopment and modernisation of Limerick Prison; new Garda offices in Dublin to replace Harcourt Square and further investment in Garda IT to allow its digital strategy to be advanced.

DEFENCE

To acknowledge the great work of our Defence Forces at home and overseas, I am pleased to allocate over €32 million in additional funding to the defence Vote group. The increased allocation emphasises the importance attached by the Government to ensuring the Defence Forces have the resources necessary to deliver on the roles it is assigned at home and overseas.

TAX CHANGES

Turning to our taxation system, I will not commit to across-the-board personal tax cuts at this time of economic uncertainty, as to do so could potentially undermine the sustainability of our public finances.

The unfunded tax cut of today is the unwelcome tax increase of tomorrow. It is important to avoid a situation in which decisions made this year might be reversed in the future.

I do not want to go down that path again. Care is needed. In terms of personal income tax changes, I am announcing an increase in the home carer credit of €100 to bring the value of the credit to €1,600. This will support working families with caring responsibilities in the home.

Deputy Finian McGrath: Hear, hear.

Deputy Paschal Donohoe: For the self-employed, I am increasing the earned income credit by €150 to bring the value of the credit to €1,500. These changes will cost an additional €27 million in 2020.

I am also announcing the extension of the reduced rate of universal social charge, USC, for medical card holders for a further year to the end of December 2020.

Tax Compliance

2 o'clock

I am announcing a two-stage process that will increase tax compliance and, thereby, increase tax yields as part of budget 2020, focused on ensuring the correct amounts of income tax and USC are paid on the income from distributions of resident companies. Revenue has identified a potential gap between the dividend withholding tax remitted by companies and the income tax and USC that is ultimately payable by the individual Irish resident taxpayer.

To address this gap, I am announcing targeted changes to the dividend withholding tax regime that will take place in two steps. First, there will be an increase in the rate of dividend withholding tax from 20% to 25% from 1 January 2020. Second, from 1 January 2021, Revenue will introduce a modified dividend withholding tax regime. This will utilise real-time data collected under the newly modernised PAYE system and allow a personalised rate of dividend withholding tax to be applied to each individual taxpayer, based on the actual rates of tax that they pay.

These changes will not alter the underlying amounts of tax that are due to be paid by Irish residents and will increase compliance by facilitating taxpayers in paying the right amount of tax at the right time. They also provide further opportunity to deliver tangible benefits to taxpayers of the newly modernised PAYE system that has been in effect since January this year.

Bank Levy

As I announced in May of this year, I have decided to increase the rate at which the banking levy is charged from 59% to 170%. This new rate will preserve the existing contribution of €150 million paid by the affected financial institutions for 2019 and 2020. A financial resolution will give effect to this increase from tonight.

CORPORATION TAX

Ireland has a competitive corporation tax rate. It has served us well and it will not be changing. Our corporation tax revenue has been growing strongly. At the end of September, receipts totalled €5.8 billion, a year-on-year increase of 13.2%. While this is welcome, I am acutely aware of the risks associated with their concentration. This is something I have already acknowledged.

Earlier this year I committed to the publication of a paper to address these specific vulnerabilities and the risks they raise. I am publishing this paper and looking at the policy options that are available to ensure the sustainability of the public finances.

Corporation Tax Reform

The certainty of Ireland's corporation tax rate and our broader regime is an important factor in promoting investment here at a time of growing uncertainty. That certainty is only achievable because we continue to take actions to ensure our tax regime is transparent, sustainable and legitimate. To that end, I will continue to take action on corporation tax reform, as set out in the Government's roadmap.

In the finance Bill of 2019, I will introduce new anti-hybrid mismatch rules in line with our commitments under the anti-tax avoidance directive. I will also make a technical amendment to the exit tax rules introduced last year to ensure they function as intended to be introduced via financial resolution tonight. I will also reform our transfer pricing provisions to ensure they are in line with the up-to-date standards of the Organisation for Economic Co-operation and Development, OECD. Those new rules will apply from 1 January 2020.

The process of global tax reform is ongoing. The challenge before us is to build a global and robust tax architecture that works for all into the future. I believe that it is in Ireland's interest that this work be successful at ensuring the continuation of a stable and consensus-based international tax framework into the future. As this work continues, my priority will be to ensure that our interests are central to the process of forming a new consensus.

Irish Real Estate Funds and Real Estate Investment Trust

Institutional investors have an important role to play in increasing supply both of commercial and residential property. This type of investment is very welcome at a time when increasing supply to meet housing challenges is so important. However, it is also essential that an appropriate level of tax is paid by such investors. Following review of the first financial statements filed this year by IREFs, Revenue has identified that some IREFs have engaged in aggressive behaviour to avoid tax.

Deputy Pearse Doherty: What a surprise.

Deputy Paschal Donohoe: I am introducing, therefore, a number of new anti-avoidance measures to take effect via financial resolution this evening.

Deputy Eamon Ryan: The horse has already bolted.

Deputy Paschal Donohoe: These include new limitations on interest expenses to prevent over-leveraging and a measure to combat the artificial avoidance of gains on redemption of IREF units. I have instructed my officials to intensely scrutinise activities in the IREF regime over the coming year, with a view to taking further action if necessary.

I will also make a number of targeted amendments to the REIT regime from today to ensure that an appropriate level of tax is paid on property gains by REITs.

Deputy Finian McGrath: Hear, hear.

Deputy Paschal Donohoe: The REIT framework was introduced to promote stable, long-term investment in rental property by removing a double layer of tax that would otherwise apply on collective investment. However, it is not intended to provide an exemption from tax on income or gains-----

Deputy Ruth Coppinger: It is a bit late in the day.

Deputy Paschal Donohoe: -----and the amendments I am introducing will ensure that this objective is upheld.

Capital Acquisitions Tax

I recognise that there are ongoing concerns about the capital acquisitions tax impact on the inheritance of the family home. I have, therefore, decided to increase the lifetime group A tax-free threshold which broadly applies to transfers between parents and their children from €320,000 to €335,000.

SOCIAL WELFARE

In addition to our progressive tax system, the Government's investment in social transfers has significantly reduced the level of inequality in our society. In previous years, I have provided for significant increases in resources. The social welfare allocation I am announcing today is more moderate and targeted. It commits to an increase of €690 million in 2020 for the Department of Employment Affairs and Social Protection. This will enable us to maintain the increases in welfare rates in place, support the elderly and children and families at risk of poverty and protect the most vulnerable from the impact of the carbon tax.

With these goals in mind, I am announcing the payment of a 100% Christmas bonus to all social welfare recipients in 2019.

Deputy Finian McGrath: Hear, hear.

Deputy Paschal Donohoe: In 2020, I am increasing by €5 the living alone allowance to help our most vulnerable elderly and disabled citizens. I am providing for further increases of €15 for the one-parent family payment and jobseeker transition income disregards and €10 for the working family payment income threshold for families with up to three children to ensure that work pays.

I am also committing to increases in the qualified child payment by a further €3 for over 12s and €2 for under 12s.

Deputy Mick Barry: It is a pity the State pension is being frozen.

Deputy Paschal Donohoe: The burden of the increase in carbon tax falls unequally. That is why I am increasing the fuel allowance by €2 per week and I will match this with increases to programmes that help address the causes of fuel poverty. I am providing €13 million for the warmer homes scheme to provide free energy efficiency upgrades to households deemed to be in or at risk of energy poverty. This reduces the energy required to adequately reheat a home, thereby reducing a household's exposure to increases in energy costs.

CIVIL SERVICE OF THE FUTURE

Finally, I am proud to be Minister for the civil service and want to pay tribute to all our civil and public servants who do great work on behalf of our country and its citizens. The number of public servants now stands at 335,000, an increase since 2014.

However, demographic changes and the next wave of technological change will place new demands on our offices and Departments. The Civil Service of the future will be different in its skills mix, use of technology and geographical footprint. We are therefore developing a longer-term vision and strategy for the Civil Service.

As part of this future strategy I have asked my officials to review future workforce and office requirements for civil servants and to report to me next year. This review will consider the location of our support offices and services to ensure consistency with the goals of Ireland 2040 and balanced regional development.

CONCLUSION

Brexit is a great challenge but our country will grow and our economy will develop. Budget 2020 aims to make progress on much, at a time of risk, but also at a time of opportunity. It invests in our future, while meeting the needs of today. It aims to further improve our national finances while the demands on public spending are so many. It marks a necessary step in our response to climate change while being conscious of the needs and difficulties that this step creates and it does all this while continuing to get our country ready for Brexit.

Measures in this budget strengthen our foundations and deepen our economic resilience. Few expected this Dáil to pass a third budget. Those hardy few predicting a fourth would hardly have predicted one such as this. Yet, here we are. We have shown that the centre of Irish politics can not only hold, but can adapt and change. It is in that spirit that I commend this budget to the House.

An Ceann Comhairle: I call Deputy Michael McGrath. I ask the Members who are leaving to do so quietly.

Deputy Michael McGrath: This is not a time for politics as usual. Fianna Fáil has afforded the Government the time and space to focus on delivering the best possible Brexit outcome for Ireland. That was, and remains, the right approach for the largest Opposition party given the enormity of what is at stake. Our decision to allow a fourth budget to pass should not be misread as some kind of endorsement of this Government. Like many citizens, we are deeply frustrated with the Government's obsession with spin and PR and its failure to deliver where it really matters for the people we represent. The people will have their opportunity to give their verdict on the Government but for now, the priority must be to steer this country through the Brexit storm. At a time when there is so much on the line for our country, I believe the people who elected us to this House expect the Government of the day, and those who really want to be in government, to show leadership and to act responsibly. That is why, despite the failure of this Government in health, housing and so many other areas, Fianna Fáil agreed to facilitate a fourth and final budget under the confidence and supply agreement.

Given the ongoing chaos in Westminster, the value of political stability here in Ireland should not be underestimated. The judgment of our leader, Deputy Micheál Martin, last December that there should be no general election in 2019 has been absolutely vindicated by the events that have since transpired. The real effects of a crash-out Brexit are unknown but it would undoubtedly be devastating for some sectors of our economy and the people who work in them. A key priority today and for whatever time is left in this Dáil is to do everything we possibly can to protect jobs from the effects of Brexit. These are the jobs that support families, the jobs that pay mortgages, rent and other household bills, the jobs that sustain rural Ireland and parts of urban Ireland too. The risk of the UK crashing out of the EU without a deal at the end of this month or indeed at some point next year, with all its negative consequences for Ireland, is the inescapable backdrop to this budget. There is no getting away from it.

We all know that many people are weary of Brexit and the endless media coverage and God knows, one can hardly blame them. The outcome of Brexit, however, will set the direction of our country for many years to come. In 2018, Ireland exported over €16 billion worth of goods to the UK and imported €20 billion. This represents 11% of total goods exports and 22% of total imports. However, in some sectors, such as agrifood, tourism and indigenous manufacturing, the level of dependence on trade with the UK and therefore the level of exposure to a hard Brexit is far greater. Closer to the Border, cross-border trade and the freedom to move over and back across the Border unhindered is intrinsic to daily life. Even more important than the economics is the imperative of protecting the hard-won peace on our island. In tribute to those who needlessly lost their lives over several decades, this is a peace that can and should never be taken for granted. Protecting it and upholding the Good Friday Agreement is non-negotiable.

No economic model will predict with any degree of accuracy the true consequences of a crash-out Brexit for the people of Ireland. The impact of a no-deal Brexit on business sentiment and consumer confidence is the great unknown. What we can say with certainty is that the Irish economy will take a sudden and sharp turn for the worse in a no-deal Brexit scenario. A no-deal Brexit would see a step change in the trading relationship between Ireland and the UK. We would see tariffs on goods going to the UK, such as beef and cheese, making many of them dramatically more costly and less competitive. We too would see tariffs on UK goods coming into Ireland making them more expensive for our businesses and consumers. We would see regulatory divergence and customs checks, not just east-west but most certainly North-South as well. All this would lead to an increase in the cost of trading and doing business. Irish products would lose out in the UK and Irish businesses relying on UK goods would have to reorganise their supply chains fundamentally. Add to this the sheer administrative burden and red tape that will be added to what is now a free-flowing seamless border between Ireland and the UK. There are over 5,000 product lines under World Trade Organization, WTO, rules that will face some sort of tariff both coming into Ireland and going out of Ireland to the UK. A crash-out Brexit will most certainly see a further depreciation in sterling, it could very well reach parity with the euro or perhaps even worse. This will put all Irish producers at a major competitive disadvantage.

The tourism sector supports some 270,000 jobs and it is already feeling the effects of the Brexit saga. Fáilte Ireland predicts that a no-deal Brexit could cost 10,000 jobs in this sector alone quite quickly. The pain from a hard Brexit will not be evenly spread. It will be most acute in the Border region and other regions outside urban Ireland where agriculture and tourism are pillars of the local economy. The Central Bank, the Department of Finance and the ESRI and others predict a slowdown of the Irish economy, with some predictions that Ireland could possibly enter recession. It is estimated that the Irish economy will generate between 50,000 and 55,000 fewer jobs in a no-deal scenario. The State's finances, according to the summer economic statement could deteriorate by some €30 billion over coming years. Next year, according to today's budget, Ireland will have to borrow at least €2 billion if a no-deal Brexit becomes a reality. This is in addition to the nearly €20 billion that the NTMA must refinance in the coming years. By any measure these figures are chilling. We know from different measures of consumer sentiment, such as the purchasing managers index and so on, that consumer sentiment and business confidence is falling fast. Lending to SMEs remains subdued, meaning that companies are putting off key investment decisions until certainty returns. All of this points to the fact that Brexit is already having a dampening effect on the Irish economy. Brexit is already here and now for some sectors.

For all these reasons, the Government needs to hasten its preparations for a potential no-deal Brexit. Fianna Fáil has given the Government the support it needs in Brexit but we have serious and deep concerns about the preparations to date for a no-deal Brexit. The Government needs to come clean first on what a no-deal Brexit will look like for people and businesses. Up to very recently, the Government assured those same businesses that there would be no physical infrastructure around the Border, even in the event of no deal. Yet slowly and surely it has become clear that this will not be the case. The Government language has noticeably evolved and changed over time.

Deputy Mattie McGrath: Hear, hear.

Deputy Michael McGrath: There will be checks if there is no-deal Brexit but we have no clarity as to what they will look like, where or what checks will take place and how long these checks will take.

We still have no idea how the major ports around our country will deal with the increased number of checks, the backlogs, the delays and how the trucks and containers will be handled. Will we see ships queuing outside Irish ports?

There has been precious little for Irish SMEs to work off. Their businesses have not been given the certainty and clarity that they need from the Government.

In today's budget, some €650 million has been set aside for a no-deal Brexit. We welcome this funding and its intention to assist businesses to adapt to the new economic reality. This money cannot be tied up in red tape and needs to be deployed very quickly in a no-deal scenario. What is obviously missing from today's budget documentation, insofar as I can see, are any details as to how firms can access this funding immediately, bearing in mind that we are just over three weeks away from a potential crash-out.

We are seeing some progress in the number of firms registering with customs for an economic operators registration and identification, EORI, number, but there has been a very slow uptake to date across the various Brexit schemes that have been provided. In the Brexit loan scheme, only €43 million of the €300 million fund has been sanctioned to date. Similarly, in the case of the future growth loan scheme, which is also a €300 million fund, just €44 million of that has been sanctioned, which proves the point that firms are very reluctant to take on additional debt at this time.

The same is true of all of the various grant schemes that have been announced. Just 216 companies have been approved in respect of the Be Prepared grants, fewer than 200 companies have been approved for the market discovery fund; just 60 companies have been approved for the agile innovation fund; fewer than 170 companies have been approved for the clear customs grant and just over 1,000 companies have obtained the strategic consultancy grant.

Businesses need certainty and they need support. While there may be an emerging view that Brexit will be deferred again to next year, there is no certainty of that. This could still go terribly wrong in the few weeks ahead. The Government needs to urgently provide the level of clarity and certainty needed and to allow these businesses, whose very survival is at stake, to plan for a very uncertain future.

It is important that we acknowledge in this House the support and solidarity that the Government and our country has had from our EU partners and to put that on the record. I have no hesitation in wishing both the Taoiseach and the Tánaiste all the very best in the days and weeks ahead, as they seek to achieve the best possible outcome for Ireland in the context of the negotiations ahead.

Deputy Mattie McGrath: Hear, hear.

Deputy Michael McGrath: With the limited space available in today's budget, as a party, we have focused our discussions with the Government on securing progress on certain key priorities. We are pleased that today's budget includes an additional 700 members of the Garda working in communities across the country; a €100 million fund for the National Treatment Purchase Fund, NTPF, to tackle waiting lists in our hospitals; an extra 1 million home help support hours, which are so badly needed; the recruitment of additional therapists to allow more and earlier assessments for young children with special needs and more therapy interventions for them when they need it; more staff and school places in the area of special education; increased funding for respite care and residential places; some changes, albeit modest, to the various enterprise tax schemes to support indigenous firms; the extension of the help to buy scheme; and modest tax reductions for the self-employed and home carers.

My colleague, Deputy Cowen, will go into more detail on the various spending areas in a moment.

It is not just Brexit that poses a threat to our economy. Altogether aside from Brexit, the growth in the Irish economy is predicted to slow down. We are seeing the effects of rising global trade tensions with tariffs now imposed on some EU exports, including Irish exports, to the US. Central banks throughout the world are struggling to stimulate their economies. The engine of the eurozone, namely, the German economy, is on the brink of recession. As a small, open economy, Ireland is particularly vulnerable to changes in the international economic environment. The economic winds have been at our back for the past few years. Everything that could have gone our way did so, including low interest rates for the sovereign and for personal borrowers, the ECB stimulus programme, strong global demand and buoyant corporation tax receipts. All the predictions, however, now state the risks are on the downside.

Ireland has benefited from a bonanza of corporation tax receipts in the past few years. If one takes as the baseline the forecasts made in 2015 for future corporation tax receipts, in the years since then we have collected some €15 billion more than was expected. The stark truth is that as we stand here today, not one single euro of that €15 billion has been put away. The bottom line is that our public finances should be in a much better place as we are heading into a potential Brexit crisis. We have been seriously exposed by the management of the public finances in recent years. As evidence of that, the reality as outlined in today's budget, is that every single euro being provided in the emergency Brexit package will have to be borrowed next year.

Corporation tax receipts are surging ahead again this year, with over €10 billion expected to be collected. Looking back to 2011, we collected €3.5 billion in corporation tax, which was 10% of all tax received. Last year that €3.5 billion had become €10.4 billion, some 19% of all tax collected. So not only has the quantum of corporation tax receipts multiplied, our dependence on it has increased significantly as well.

There are major risks associated with our reliance on corporation tax. According to the Revenue Commissioners some 45% of the €10.4 billion received last year came from just ten multinational companies, which is up 10% in ten years. That is about €4.7 billion from just ten companies alone, which is more than the entire amount collected from the universal social charge, USC, and represents nearly €1,000 per person in this country.

When we look at foreign-owned multinationals in their entirety, the figures are even more startling. Some 77% of the €10.4 billion was paid by foreign-owned multinational companies, which comes to more than €8 billion; the equivalent of approximately €1,700 for each person in this country. Again, according to the Revenue Commissioners, 28% of the more than 2 million people who are employed by private sector firms are employed by multinational companies and taken together, they bring in approximately €8 billion in income tax, USC and PRSI.

Our reliance on the multinational sector is unhealthy and it is growing. Yet it is clear that change is in the air. Fianna Fáil strongly supports the 12.5% corporate tax rate and opposes any attempts in Europe to undermine our tax sovereignty rights which are enshrined in the Lisbon treaty. We have consistently stated that if corporation tax changes are to be made, they must be made at a global level through the OECD. Change coming from the OECD is coming too. We cannot rely on maintaining the current level of corporation tax receipts into the future. How long will it take for the OECD to come forward with the detail of the next round of the base erosion and profit shifting, BEPS, proposals? It will come and the indications so far are that those changes could be very significant and not positive for Ireland. These changes will see the allocation of taxing rights between countries change where Ireland will almost certainly lose out. There are indications that this will include a global minimum effective tax rate, which will of course dilute the significance of Ireland's 12.5% rate internationally. Let us be in no doubt that the corporation tax receipts we receive today are not certain, are volatile and cannot be relied upon.

Yet this Government, year after year, has used bonanza corporation tax receipts to pay for current expenditure overruns, particularly in the Department of Health. Since 2012, the Government has spent approximately €6.3 billion in Supplementary Estimates over and above what was budgeted for on budget day. This expenditure was not once-off capital expenditure and was not spent on new hospitals or new schools. The €15 billion in unexpected corporation tax receipts was spent on current expenditure, which repeats annually. If the tide turns on Ireland's corporate tax windfall, we are in the deepest of trouble. The corporation tax boom could end but the annual expenditure commitments will remain, leaving potentially a huge black hole in the public finances. Fianna Fáil has called on the Government to carry out a fresh review of the sustainability of Ireland's corporation tax receipts. We need to make an informed judgment as to on how many of the receipts we can rely into the future. I look forward to reading the paper the Minister has published today. Of course, it is not an exact science, but any independent assessment of the economy and the public finances will highlight the dependence on volatile corporation tax receipts as a clear and present danger. All of this underlines the need for a well funded rainy day fund or contingency reserve. Fianna Fáil first proposed the establishment of such a fund in 2015 for unexpected tax revenue such as corporation tax receipts. We proposed such a fund to guard against the day when this tax revenue evaporated. Today, while the rainy day fund is established in law, it actually has a zero balance. There is nothing in it. We are in a position where the money earmarked for the fund next year may have to be used to deal with the effects of a no-deal Brexit. This is the right decision in the circumstances of today, but it does not take away from the fact that the fund should have been in place well before now and funded.

In addition to relying on corporation tax revenue, the main revenue raising measure in the budget, apart from revenue from the carbon tax which is to be ring-fenced to fund climate action measures, is the increase in stamp duty on commercial property. This is a tax based on property transactions and the revenue from it may not prove to be as reliable as the Government thinks. Ireland has been hugely successful in attracting foreign direct investment which we cannot take for granted. We must continue to update our offering and remain competitive.

We absolutely need to rebalance the economy and place greater emphasis on supporting indigenous firms. We must support the SME sector now more than ever, but the supports that have been put in place are not working for SMEs. That is the consistent message my party receives from individual business owners and their representative bodies. Ireland has lost ground in the battle to be an attractive location for innovation driven start-ups, in particular. Ireland is not at the races when it comes to having an attractive enterprise tax environment for entrepreneurs. Key schemes such as the employment and incentive investment scheme; the key employee engagement programme, KEEP; the knowledge development box; capital gains tax entrepreneurial relief; and research and development tax credits for SMEs, are so laden with red tape and restrictive conditions it makes them virtually impossible for many SMEs to access. We must make the schemes more accessible and attractive if the SME sector is to reach its potential to grow, prosper and create further employment in the economy. This is the time to take these steps to rebalance the economy. With BEPS 2 and other global changes fast coming down the tracks, we must begin to support Ireland's SME community.

While we welcome the further increase, €150, in the earned income tax credit announced today, it will come as a disappointment to the self-employed community that full equality has yet to be achieved in the earned income tax credit. I welcome the relatively minor changes announced today in the enterprise tax schemes to which I have referred. I will engage with the

Minister during the course of the Finance Bill to see if we can improve them further and do more within the constraints.

We need to radically improve the environment in which we ask SMEs to compete. The various schemes announced in the past few years have not been anywhere near as effective for SMEs as they should have been. The Department of Finance has published a detailed paper on transfer pricing, primarily for the multinational sector, which includes detailed draft provisions to show what the final legislation may look like. No such consultation took place with the SME sector when the KEEP scheme was being designed; there was no such consultation when the EII scheme was being revamped and there was no such consultation when the knowledge development box was brought forward. That is why, when they are designed, such schemes become tied up in red tape and bureaucracy. Every piece of red tape adds further costs for SMEs and the figures speak for themselves.

The key employee engagement programme, the share based remuneration scheme that was designed to assist SMEs in competing with larger companies for talent, has been a total flop. To date, companies have granted qualifying share options to a mere 87 employees under the programme.

The employment and investment incentive scheme was intended to encourage investors to back small innovative start-ups to enable them to grow and scale up. The number of investors availing of the scheme in 2017, the latest year for which we have data, was at its lowest level since 2011. The number dropped by one third in 2017 and the tax relief extended fell by 40%. We consistently hear from businesses that the scheme does not function. It appears that Revenue needs more resources to administer it efficiently. Changes were made last year to make it more user friendly, but they do not appear to have had the desired effect.

The knowledge development box which was touted as a viable alternative for SMEs to the research and development tax credit has only had 22 companies sign up for it to date. There were 12 in 2016 and ten in 2017. By any measure, it is not working and the data prove that it is not achieving its objectives.

The CGT entrepreneurial relief to encourage entrepreneurs to grow their business and reward them for the risks they have taken has proved unsuccessful due to its reach being restricted. In 2017 fewer than 900 taxpayers availed of the relief. When we compare the scheme to the equivalent scheme in the United Kingdom, it is abundantly clear that Ireland’s offering does not match up. It is disappointing that the lifetime limit of €1 million cannot be increased in this budget. The Revenue Commissioners stated the scheme cost €82 million in 2017, but this figure does not tell us what transactions did not take place or what entrepreneurial activity moved abroad as a result of the restrictive regime.

The research and development tax credit is principally designed for the larger multinationals, with some €290 million of the €448 million cost in 2017 going to companies with more than 250 employees. While smaller companies availing of the credit are more numerous, the value of the claim overall is paltry by comparison. That too needs to change. We will engage on these proposals in detail during the debate on the Finance Bill.

These are not the only issues facing businesses. Insurance is a massive issue facing small businesses, voluntary organisations, clubs and community groups the length and breadth of the country. Businesses throughout Ireland are being put at risk because of escalating insurance costs. In some cases, particularly in the leisure sector, they may not be able to access insurance at all. Every day businesses are shutting their doors because of the insurance crisis and jobs are being lost. Each Member knows of perfectly viable businesses that have gone to the wall simply because they could not get insurance, or if they can, it is completely unaffordable. Many more are choosing to self-insure which is not a risk they should take on where personal liability is potentially on the line. The insurance industry needs a radical overhaul. The Central Bank needs to get far tougher from a consumer protection point of view and start challenging more aggressively the pricing strategies of insurance companies. This is, after all, an industry that is under investigation by the European Commission and Ireland's Competition and Consumer Protection Commission. The Government needs to get serious about tackling insurance fraud and the high level of personal injury awards in the State. It seems there are no consequences for chancers who try to scam the system by making a bogus insurance claim. There appears to be no fallout and nothing ever happens to them as a result. Award levels are too high, especially for minor tissue injuries. This is borne out by the Personal Injuries Commission. The Government has had the report for the past year or so. In this House the Opposition has given the Government free rein and every support possible to bring forward the reforms required to tackle these issues in the insurance industry, but the pace of progress is far too slow. Fianna Fáil has brought forward a number of Bills in this area. The Minister of State, Deputy D'Arcy, seems to be the only one in Government talking about the insurance crisis. This issue should be on the Cabinet agenda and often.

It became very evident during our pre-budget discussions with the Government that the €500 million earmarked for demographic-related costs in 2020 was in no way adequate. We went into the discussions on the basis that €2.1 billion had been committed and that €700 million would be available for budget day decisions, only to be told following the bilateral meetings the Minister for Finance had with the various line Departments that the budget headroom was pretty much gone and that in order to stand still and take account of known demographics, essentially the Departments needed all of the budget headroom that was available. Serious questions need to be answered about this approach to managing the public finances. There are two points to be made. The first is about demographics that should be known, for example the number of people who will qualify for a pension next year and the number of older people who will need home care or to avail of the fair deal scheme. These numbers should be known, but it seems that they have been understated in the figures published in advanced of budget day.

The other factor which is developing into a great trend is that the Government has become adept at announcing initiatives to start somewhere towards the back end of next year. This has the result of pushing the bulk of the cost into the following year. Examples in 2019 include paid parental leave taking effect in November and the national childcare scheme essentially starting in November. The Government gets the kudos for the positive announcement and PR, but the cost will actually be carried into the following year. We see the same trick today. Not only is the Minister announcing budget 2020, but he is pre-announcing large elements of budget 2021. For example, much of the cost of the change in medical card eligibility for the over 70s which will not kick in until July will be pushed into 2021, while the under-eights receiving a free GP visit card will not start until September. The Minister is pre-announcing whatever headroom there may be in 2021. This trend has emerged in recent years. After sitting down and looking at the figures, I reached the conclusion that all of the Government's announcements and promises made during the year had not been factored in to these numbers. That is why the headroom has already been gobbled up.

The key criticism of the Irish Fiscal Advisory Council should be outlined, that is, that the Government does not stick to its plans. It is one thing to announce the budget day package, but then there are the within year increases in expenditure in the form of Supplementary Estimates and expenditure that we know will happen. For example, the cost of paying the Christmas bonus this year and next has not been factored in to the overall numbers.

I commend the work of the Parliamentary Budget Office. It has given us and the Committee on Budgetary Oversight considerable assistance in assessing and scrutinising forensically Government plans in that regard. My colleague will speak about the carbon tax. From our perspective, it is key that there be transparency about where the money is spent and the fund be ring-fenced to deal with the main issues that need to be addressed, including the one-year waiting list for the poorest households in accessing home insulation grants, in their case, the warmer homes scheme.

This is the final budget before the people will be given an opportunity to elect a new Government. Where the Government has fallen down is in its management and level of delivery. The budgets have been allocated, but the resources have not been well spent. Apart from the gross mismanagement of key capital projects such as the national children's hospital and the national broadband plan, we are left questioning what return voters have received from major increases in spending in areas such as health where we continue to have a crisis in access. Over the four budgets, as a party, we have gone about our business professionally and without drama. We have done our best in opposition to get value for the mandate we were given back in 2016. We have kept our word and put the country ahead of the party. We have brought about a step change in budgetary policy, with the overall emphasis on investing in public services. The Government has failed to build on this by ensuring value for money and the necessary reforms. Over the four budgets we have achieved reductions in USC, the extension of mortgage interest relief, a €15 increase in core weekly social welfare payments, reduced class sizes, the reintroduction of guidance counselling in schools, investment in the National Treatment Purchase Fund, increased funding for mental health services, an increase in the number of gardaí, fairer treatment for the self-employed, the recruitment of more therapists for children with special needs, a €300 million affordable housing package and much more. If given the opportunity to serve in government, we will achieve so much more.

Deputies: Hear, hear.

Deputy Michael McGrath: Time is running out for the Government.

Deputy Mattie McGrath: It is gone.

Deputy Michael McGrath: We look forward to the day when the people will have their say.

Deputy Mattie McGrath: Am I allowed to raise a point of order?

An Ceann Comhairle: No, you are not.

Deputy Barry Cowen: Some things never change.

A century ago the First Dáil convened to strike out on a new path for the nation. The Independence project has been fraught with challenge in the years since, but we have always risen to it. Today, as successors of the Members of the First Dáil, we are confronted with a new and difficult task. The dark horizon of a hard Brexit that we confront poses a fresh threat to peace and prosperity on our island. The Brexit psychodrama that has played out before our eyes in the past three years threatens to unravel hard-won decades of progress. Brexiteer ideologues have been passing around the Kool-Aid churned out by a toxic British press, ignoring the consequences of their actions for our island. Faced with this, we must be determined to see off any threat to the integrity of the peace process and the all-island economy. A firm sense of national purpose is crucial to the long-term prospects of the country. This is a time for cool heads and unity of purpose.

The budget must be viewed in that light. Fianna Fáil has facilitated the Government in ensuring Ireland has had a stable and coherent voice at the EU table. As we all know but many would not like to admit, the alternative would be uncertainty, discord and division. Any show of doubt would be dragged by the Tory Government like a drowning swimmer clutching for a lifeline. Any discord would be leapt on by Tory posh boys whose history lessons ended at the Irish Sea. Instead of a stream of doubtful elections, we have seen through a stable Government to represent us in the European Union. By contrast, for example, Spain faces its fourth election in the same period since the confidence and supply arrangement was agreed to. Our stability has been our strength.

This is, plain and simple, a Brexit budget. More than ever this is a time for a steady approach. It is not a continuation of the confidence and supply budgets we have seen in the previous three years. We gave a commitment to see it through in order to brace the country for the impact of a crash-out Brexit. We have approached it in good faith and with that ultimate goal in mind. Facing into a national emergency, we must put the country first. I am proud to be in a party that will always put the long-term good of the country ahead of petty politics. Our decision to abstain in the vote on the budget reflects that commitment to stability in the face of such grave uncertainty. It is not by any means an endorsement of specific policies, nor a vindication of our budget talks of the past few weeks. Allowing the budget to pass is a simple decision to show continued strong national unity in the face of Tory Party aggression. This is not the time to give succour to the opponents of the peace process and progress on this island.

I anticipate the criticisms to be made of the budget about the missed opportunities or areas that have not received the increases they need. Ultimately, however, criticisms must be framed in the bigger question as to how we rise to the challenge of Brexit. Nobody in the country would escape the disastrous impact of a no-deal Brexit. Nobody would be better off with a hard border tearing the island asunder. We have to start and end any budget debate on that crucial point. This is the time to protect core services and equip sectors for the risks ahead. Our shared national prosperity hinges on this fact. Stability and certainty to see off the threat of Brexit is our best policy.

I look around the Chamber and see no other options being proposed. Sinn Féin likes to depict the confidence and supply arrangement as a coalition government. After a world record-breaking period without a government in the North, I can see how Sinn Féin has forgotten what government actually is about. In its rush to avoid responsibility it only works in half of the parliaments to which its members have been elected. They have left Westminster without a nationalist voice and abandoned Stormont to the wind and the rain.

Deputy Gerry Adams: Contest.

(Interruptions).

Deputy Barry Cowen: When it has literally come down to a handful of votes at a divided Westminster, they have been nowhere to be seen.

Deputy John Brady: Neither has Fianna Fáil.

Deputy Barry Cowen: Sinn Féin's "vote in four but get two" approach to parliamentary democracy is a cynical sham. Under Deputy Adams, it was "They haven't gone away, you know." Under Deputy McDonald, it is "They haven't turned up, you know."

Deputy Mattie McGrath: Hear, hear. Tá siad as láthair.

(Interruptions).

An Ceann Comhairle: Please, Deputies.

Deputy Barry Cowen: However, in the midst of all this uncertainty we must welcome the creation of a new socialist group. In a world gone mad another left-wing split provides reassurance that some things will never change. Inspired by talk that the GAA would split Dublin after winning the five in a row, the hard left has gone for the split first in the hope success will come later.

(Interruptions).

Deputy Barry Cowen: All this parliament dodging and party splitting is a timely reminder that, without the stability provided by Fianna Fáil, we would drown in the alphabet soup of left-wing groups that have little interest in policy and absolutely no interest in government.

Abstaining in the vote on the budget is an act of national necessity. It is definitely not an endorsement of the years of Fine Gael mismanagement. As Deputy Michael McGrath stated, the measures taken today come at a late hour in the process. The clock was close to midnight before the Government realised the lights were going out on Brexit. The past several years of budgetary management by Fine Gael have been characterised by overspends and missed deadlines. The need to put on the brakes, faced with a disorderly Brexit, is a result of fiscal imprudence over numerous budgets. Like a stressed-out student staying up late the night before the leaving certificate exam, Fine Gael is desperate to make up for lost time. Pushing overspend into next year is a belated effort to address the mismanagement this year. It is like a gambler getting an advance on his wages to try to pay off his debts before the next bet, but like every gambler, the scale of the losses keeps mounting. We have witnessed more than €6.3 billion in overspends since Fine Gael came into power. We have experienced a series of fictional health budgets where what is promised far outstrips what is given and falls far behind what is needed. The overruns have been papered over by surplus corporate tax receipts. The Government is financing its fiscal ineptitude on the back of these unexpected taxes. Our party does recognise that mistakes were made previously in using unsustainable property taxes to fund spending. Fine Gael is intent on repeating the mistakes of the past. If the definition of insanity is doing the same thing over and over and expecting different results, then Fine Gael's financial plans are fit to be tied. These types of spending plans are sandcastles that will be washed away with the economic tide.

The situation is worse in capital spending. Flagship projects of the over-hyped Project Ireland 2040 plan have exposed that Fine Gael is committed to building nothing more than a republic of photo opportunities. Spin always comes before substance with the Government. The national children's hospital fiasco illustrates the scale of the fiscal malaise that is at the heart of the Government. Fine Gael has dug a money pit that will swallow up some €2 billion, and still counting. The sale of the national lottery was supposed to fund the children's hospital. At the rate at which the Government overspend is going, the Minister, Deputy Harris, and his colleagues in Cabinet will have to form a very successful EuroMillions syndicate tonight to make up the deficit.

I notice the Taoiseach got a dose of "Saturday Night Fever" in the Burlington last week when he had many paragraphs on the national broadband plan and its delivery, and how quickly it would paper over what is needed in the country, but there was not a mention of it in today's speech. The national broadband plan has exploded to some €3 billion and is already mired in challenges. The digital divide is becoming a digital wall and, unfortunately, rural Ireland is on the wrong side of it. All we have to show for years of promises and escalating costs is an unused pen on an unsigned contract.

The Fine Gael record of fiscal management is clear: massive overspends, missed deadlines and an over-reliance on unsustainable tax receipts. Fine Gael is approaching the national finances with a recklessness that makes Donald Trump's phone calls look reasonable. The stinging criticism by the independent Irish Fiscal Advisory Council of departmental overspends and capital cost overruns are another testament to Fine Gael's legacy. On its watch, health budgets have become works of political fiction. On its watch, the national broadband plan has slipped into a costly legal abyss. On its watch, the national children's hospital has become a byword for financial mismanagement. All of that, while ignoring the €4 billion promise to abolish the universal social charge, USC. Obsessed with tax cuts, Fine Gael has taken its eye off the books. It is a damning indictment of a party that was once committed to fiscal rectitude. After almost a decade in power, the party that once based itself on safely managing the public purse has lost its way. Its reputation is shot through with overspends and overruns. It is more interested in electioneering than governing. Today's budget does little to arrest that nine-year record of decline. Having failed to mend the roof while the sun was shining, the budget simply pulls down the shutters in the face of the Brexit storm.

I will look at some of the specific areas in the budget such as carbon tax and the just transition. Climate change is the pressing challenge of our age. Each generation has a moral obligation to pass on the world to the next generation. A just transition means ensuring all citizens and regions are brought along in this transformation. We cannot leave anyone behind or we risk unravelling all the progress in the face of a backlash. Fully utilising the carbon tax is pivotal to a just transition. Critics of the carbon tax declare they want to address climate change, but have not put forward any viable alternatives. Carbon tax opponents want to hop onboard Greta Thunberg's boat, but the first thing they want to do is to tear down the sails. They do not seem to accept that virtue signalling is not a policy. The Government's record, however, has been abysmal in this area. I have seen that all too clearly in my home county of Offaly. The midlands has a proud tradition of work in the peat industry and in energy generation. A strategic transition from this sector, while protecting the livelihoods of workers and the vibrancy of their communities, is the clearest path forward. However, the rejection of the ESB's plans for the power station at Shannonbridge, which the Government failed to appeal to the courts, highlights a serious lack of commitment. The failure to back up workers underlines a broader challenge across the country. We cannot leave a generation of workers behind or throw the burden of climate change on the shoulders of a few. A just transition needs to reach across every part of the country and into every household. If the same attitude taken to workers in Offaly is taken to people affected by fuel poverty or changing industries the just transition will be a failure.

It is important that the just transition fund delivers, as people's livelihoods and the economy of the midlands and other areas like it depend on its success. Our agreement on a just transition forum for the midlands is crucial to the success of the process. It should be led by an independent chair based on the model of the Dublin inner city forum. This will ensure a buy-in from the communities involved. The chair should be from the community and have a deep understanding and knowledge of the needs of the various counties that are involved. The independent chair should ensure that moneys available from the just transition fund will be co-ordinated, cohesive and utilised to the full in the midlands counties worst affected. I refer also to the situation in Moneypoint in County Clare and the transition that needs to happen from coal. That area too should be recognised in any transition forum and funds made available in the future. The forum's main aim will be to plan, invest and implement a transition to alternative and sustainable jobs in the various sectors that will protect and enhance the economy of the regions involved. The just transition fund is a litmus test for how Ireland converts from a country that is highly dependent on fossil fuels to meet our carbon targets for 2030. The success of the fund and the forum should be expanded in other counties, as required in the coming years.

On a broader level, progress on electric vehicle supports, retrofitting and sustainable transport supports are crucial to starting down the long road of climate change transition. However, the hypothecated or ring-fenced fund must be backed up with real and sustained political will and commitment.

Our housing crisis remains a national scandal. With rent levels at a historic high, a whole generation cannot save enough to own a home while vulnerable households are at risk of homelessness. Home ownership is slipping away from an entire generation, as house prices have increased by 84%, while wages have only gone up by 10% since 2012 and Central Bank rules rightly restrict lending. Our 68% homeownership rate is the lowest in half a century and is now behind the EU average. Countries such as Germany and Austria, often cited as rental models for Ireland to follow, have seen significant increases in ownership rates while ours has fallen.

3 o'clock

We can see the change in front of our eyes. The age at which home ownership became the majority tenure category was 35 years in 2016. Clearly, home ownership is moving further and further away from young people. The Government's response has been completely ineffective. Groucho Marx said: "Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly and applying the wrong remedies." That should be the tag line for the Minister, Deputy Eoghan Murphy's, Rebuilding Ireland programme to date. Sluggish home building remains tens of thousands behind where its needs to be. The flagship Rebuilding Ireland home loan scheme ran out of money leaving hundreds of applicants in a financial no-man's land. Fianna Fáil fought for a new affordability scheme after Fine Gael abolished it in 2011. We need real progress in the roll-out of the affordable housing scheme launched last year to keep the aspiration of home ownership alive. Retaining the help-to-buy scheme is only one step in the right direction to achieving that.

Social housing development has been marked by missed targets and a heavy over-reliance on the private sector. The Government's praise of the number of homes secured though the housing assistance payment, HAP, ignores the fact that it is a only a sticking plaster to cover up a lack of direct social housing builds.

In reality, red tape continues to strangle local authorities. To get to grips with the housing crisis we need to slice through unnecessary rules and regulations. The failure to uphold last year's agreement to raise the discretionary spending by councils is delaying getting bricks and mortar in the ground.

Deputy Darragh O'Brien: Hear, hear.

Deputy Barry Cowen: That was a breach of the good faith in which we approached that budget. This is further compounded by the failure to create a special purpose vehicle, SPV, for credit unions to invest in, despite Central Bank approval. The Government is leaving a reservoir of finance to help build homes completely untapped. It would also be a source of funds for embattled credit unions throughout the country. As it is, they are being forced to allow their deposits be placed with the core banks, sometimes at rates that end up costing them money. All the while, the homelessness scandal continues to be a scar on our collective conscience. Fine Gael policy is forcing councils to build homes with one hand tied behind their backs.

Our health service is getting sicker. The delayed discharge crisis, unprecedented numbers on waiting lists and plunging staff morale are all testament to a decade of Fine Gael in power. The Government's half-hearted approach to Sláintecare to date smacks of a public relations, PR, exercise rather than a policy change. The continual overspends have exposed each health budget as an exercise in cynicism. When will we get honesty on what our health service needs just to stand still, let alone to achieve Sláintecare? The men and women on the front line of a service on the edge deserve better and the hundreds of thousands of patients in need of a service that works demand better. The National Treatment Purchase Fund, NTPF, which Fianna Fáil fought tooth and nail for in the face of Fine Gael opposition, is but one ray of light in a grim sky. Rather than hitching lifts up to the North, our older people should be able to access essential cataract surgery through an expanded NTPF.

While health is racked by overspending, the extent and depth of the budget fiction also stretches into underspending in mental health. Some €25 million out of €55 million earmarked for mental health remains held back by the HSE. With less than three months left in the year, almost half of the money earmarked for these vital services remains unused. That crucial funding was designated to enhance community mental health teams for adults and children and to support new initiatives in e-mental health, digital technologies and tele-counselling. Mental health services are greatly short staffed, with child and adolescent mental health services, CAMHS, having barely half the required number of staff in place.

I attended two unfortunate funerals recently in my own constituency. I met parents, relatives and friends of the deceased, both of whom were young men. It was disheartening to hear that the services they sought were not what they expected. To hear now of such underspending in such a vital area leaves us despondent. The Government is letting down an entire generation in this regard. Treating all citizens of the State equally is a core founding value of the Republic. The State has missed out on opportunities to recognise the additional costs disabled people face. Additional home help hours and special needs assistants, SNAs, are badly needed measures to alleviate the pressure on this group.

Regarding justice, the most important duty of the State is to uphold safety and security. An Garda Síochána is at the heart of upholding that duty. Over the past several years, we have secured a ramp-up of Garda numbers. Ensuring we have adequate resources to get and keep gardaí on the beat is crucial. We welcome the commitment to recruit 710 new gardaí given today. Brexit will present a new, distinct security challenge for which An Garda Síochána must be prepared and equipped. We must ensure the budget helps get more gardaí on the beat and helps to keep our streets and communities safe.

Turning to education, since 2016, Fianna Fáil has fought to reduce the pupil-teacher ratio, reopen postgraduate grants and secure more guidance counsellors. All these changes had to be forced from the reluctant grip of those in power. Our education system is the wellspring of our economy and our society, but it has been severely neglected over the past decade. This does a massive disservice to the future of our country. The dire warnings of Hugh Brady, former president of University College Dublin, UCD, should be a red flag to the Government and should highlight that it is jeopardising the long-term future of our university system. We must be in a position to compete, attract and retain world-class research as an essential part of our economic model.

Moving on to the Irish language, we have inherited a rich language that we have an obligation to treasure and pass on. We are deeply concerned regarding the Government's lack of commitment to the 20-year strategy. We need to show ongoing support for our national language through its various organisations and media. The Government must also act on the Official Languages (Amendment) Bill 2017.

Agriculture is the beating heart of our countryside. Brexit would drive a stake straight down the middle of it. The failure to publish adequate plans to date has left farmers exposed and vulnerable to a future downturn. The scale of the beef crisis and the depth of feeling it exposed illustrates how severely farming families are struggling. Now is the time to deliver for those families and this has to start with protecting agriculture from the impact of Brexit. All the while rural Ireland is continually let down by the Cinderella department of the Minister for Rural and Community Development, Deputy Ring, where underspending on key programmes continues.

Deputy Michael Ring: That is not true.

Deputy Barry Cowen: Somewhere under the Minister's couch, lodged between Greystones Tidy Towns submission and Fine Gael's plans for rural Ireland, are the missing millions in his Department.

On childcare, we remain deeply concerned about the roll-out of the national childcare scheme. The Government's obsession with announcements before planning and publicity before resources risks undoing a crucial project for hard-working parents. The key test is providing quality childcare that is affordable and accessible across the country. So far, all we have seen is the old story of delays rather than delivery.

In respect of public pay, Fianna Fáil believes in a strong public service. At the heart of the confidence and supply arrangement is the commitment to invest in public services at a minimum 2:1 ratio above the tax cut agenda previously driven on by Fine Gael. Future pressures on the Lansdowne Road agreement must be dealt with through an agreed framework that recognises the immense contribution public sector workers make. For example, the failure to achieve pay equality for hospital consultants places further pressure on an embattled health service. The principle of fairness has to be at the heart of this process.

He is not here unfortunately - I am sure he will tune in - but over the past several years, the Minister for Transport, Tourism and Sport, Deputy Ross, has been a one-man policy Cape Canaveral. He has been firing rockets across all Departments, except his own. The Minister for photobombing has been missing in action in his own portfolio. Instead, athletes across Ireland look nervously over their shoulders for a rogue member of the Cabinet. The Minister is a scary story sportspeople tell their children when they are bold. If his name is said three times in the mirror, he will appear in it for a selfie. No medal winner is safe from an unwanted photo and a badly misspelt namecheck by Shane Ross. All the while, however, commuters are crammed like sardines into train carriages or stuck in traffic jams. He has continually overlooked his ministerial responsibility and over the past four budgets, he has moved through his Department without a trace.

The targeted social protection measures for those living alone and the qualified child increase are badly needed to help the most vulnerable in society. Core payments will be protected in the face of grave uncertainty. In the context of preparing for Brexit, we have fought for fairness in allocating what resources there were. The gains in our State pension that we achieved over the past three years are secure, but it is regrettable that additional advances were not put forward. Allowing older people to live independently in their own homes should be a core objective. Even the Fine Gael manifesto called for older people to be able to live with dignity. That is why we fought for 1 million additional home help hours and boosts to the living alone allowance. In my constituency earlier this week, I attended Tullamore Hospital again to discuss a package for someone exiting that hospital. A new package has not been delivered in my county since June. Older people built this country and they deserve peace and security in their retirement. They deserve to get what they have been told they will get. They would much rather be in a position whereby they could be assured of such a package but that is not the case. I have heard commitment after commitment and denial after denial on the other side of the House when this issue has been raised by numerous Members.

Deputy Robert Troy: Hear, hear.

Deputy Barry Cowen: We were assured. The truth, however, is on the ground and in hospitals throughout the country. The truth was to be found in Tullamore earlier this week when I was confronted by that vista. That is the response I received, and that in no way, shape or form reflects on the ability and commitment of the staff who wish to deliver those packages. It is a reflection on the Government and its commitment to that project.

I will conclude by recalling that in 2016 the country stood uncertain after a volatile election. Fianna Fáil took action to make sure we had stable government. We changed the direction of the country by stemming the Fine Gael tax cut agenda and ensured the State emphasised investing in public services. We took on the messy compromises that are the bread and butter of politics. We have worked to make sure centre ground politics deliver for ordinary people, who want nothing more than a functioning Government that listens to their needs. It has not been easy. The path has been difficult, but we stuck to it. Once again last December, faced with the grave threat of Brexit, our party leader did the right thing and provided political certainty. While others avoided responsibility and continue to do so, we stood up to the mark whether people like it or not.

The reason the Thirty-second Dáil is still in place and this Government is still in power is Brexit, pure and simple. That is what today ultimately boils down to. This is a Brexit budget. It would be dishonest and reckless to ignore the gathering storm and plunge the country into the unknowns an election would bring, but the day is coming when a decade of power will end for Fine Gael. No one looking at the dream of home ownership slip away from a generation, the scandals of runaway costs in capital projects or the deepening crisis in our health service could hope for otherwise. The republic of photo opportunities built up over the past ten years has long since been exposed as all spin and no substance. The party of prudence has turned into a party of recklessness. Confronted by the challenge of Brexit, Fianna Fáil will hold firm. We will see through our agreement and ensure that, in the crucial weeks ahead, our country will present a united front. There is too much at stake to risk it all for political party gain. Let us harden our resolve over these difficult days and match the challenge ahead so that we will be in a position to go to the country, having stood firm and realised the ambition everybody has here to assist this country to have the resolve to withstand what it faces.

Deputy Pearse Doherty: This budget could, and should, have given workers and families a break but it has not. Instead of giving workers and families a break, and securing Ireland's future, the Government has underestimated the economic challenge of Brexit, and has done nothing to ease the pressure on workers and their families. On top of out-of-control rents, rip-off insurance premiums and unaffordable childcare costs, they are faced with increased charges in the form of a hike in carbon taxes. What starts today with a €6 increase will continue to increase, squeezing households with no alternatives. They will pay the cost rather than the bankers, the insurance companies or the vested interests this Government and its partners in Fianna Fáil have never stood up to and never will. This budget comes at a time our country and our people face significant challenges. It is a time for big ideas, for bold policies and for solutions for ordinary people. It is a time to reset our economy, how it works and who it works for. Tá an buiséad seo á nochtadh inniu agus tá dúshláin mhóra romhainn mar thír. Tá sé thar am go gcuirfear smaointe móra agus beartais cheannrodaíocha i bhfeidhm ionas go dtig linn cuidiú a thabhairt do na gnáthdhaoine agus dul i ngleic leis na fadhbanna móra atá os comhair muid uilig.

Since the economic crash a decade ago, the people have carried the weight of a recovery that has been enjoyed by some, but not by all. For five years, this State has had the fastest growing economy in Europe but GDP only tells us one part of that story. A strong economy with crane-scattered skylines does not show the full picture. Many in Ireland today are trapped in the present, crippled by rip-off costs and unable to plan for the future. This Government has failed to turn a growing economy into real returns for those who have built it and for those it should serve. That is the issue and the problem with this Government. Rather than seeing incomes rise, too many have seen costs soar and their pay packets squeezed. For too many, life has become unaffordable with sky-high insurance premiums, unaffordable rents and ever-increasing childcare costs. Workers and families were looking for a break in this budget but they did not get one.

With the political will and the right ideas, this budget could have put money back in their pockets and could have improved access to public services. It could have begun to broaden their horizons; making sure that work pays and delivers security and the chance to plan for the future. It could have begun to build a fair taxation system, making sure those who benefit most from our economy pay their fair share such as banks, multinationals and international property investors that have enjoyed a free ride for far too long. However, this budget has failed to deliver on these modest demands in any meaningful way. It is a budget short on ideas, short on policies and short on solutions. It is a budget that unfortunately lacks ambition, lacks direction and lacks hope.

With nothing constructive left to offer, the Taoiseach has nothing to offer but cheap jibes and cynicism, while workers and families are struggling to keep the wolf from the door. Regardless of anything he says about Sinn Féin; introducing wolves to Ireland is not as far-fetched a policy for this Government as it may sound. After all, this Government introduced the vultures that have bought tens of thousands of family mortgages at discount rates. This Government has introduced child homelessness as a permanent feature in our society. It has laid out the red carpet for the cuckoo funds and speculators that have bought up our cities, pushed up prices and left young people and families locked out of the property market and locked into an unaffordable rental system. That is the record of this Government.

This budget appears to have heeded some of the calls we in Sinn Féin have made for many years to tackle serious tax avoidance among property investors through REITs and IREFs, not least the capital gains tax exemption for properties sold when they have been held by REITs for three years or more. I note that in the detail of these measures, however, which we will go into further with the finance Bill, it is only 20%. That does not level the playing field when any other company will have to pay capital gains tax of 33%. The budget does not deal with other issues we have been highlighting to the Government. For example, in April this year, Green REIT, a billionaire property fund that has made a fortune from the property crisis, used the rules of the game to avoid paying €100 million in tax because it was CGT-exempt. It is also avoiding commercial stamp duty at 6% and it is now able to use a 1% loophole, which will cost the taxpayer €67 million in revenue. The Government is not indicating it will close this loophole for it or for any other similar transaction in the future. This measure alone would have stemmed the sell-off and generated €36 million that would fund the provision of medical cards to more than 17,000 cancer patients for the duration of their treatment. That is the type of political choice a Minister for Finance faces when he or she sits down to write the budget. This is about real policies and real solutions. Unfortunately, this Government has chosen the side of international investors and allowed some of these loopholes to persist, instead of making choices in favour of people who are suffering from cancer, as I have just outlined, who will continue to be denied a medical card under this Government's policies, until some review in December that may or may not provide an outcome. This Government has nothing left to offer. Níl aon ní fágtha ag an Rialtas seo gur féidir a thairiscint.

It has been a bad year for this Government and its management of the public finances. Despite a growing economy, the country's debt is higher now than it was when it took office. At the same time, the Taoiseach's flagship tax policy lies in tatters. In 2016, his party promised to abolish the USC, a promise it has spectacularly broken. Last year, at the Fine Gael national conference, the Taoiseach promised a €2.3 billion tax cut for workers paying the higher rate in every budget over the next five years. Today, he has again broken that promise, and it is just as well. Based on the Government's own figures, his only big idea would have blown a hole in the public finances and created a budget deficit of more than €350 million next year, with more borrowing and with higher debt. His short stint in office has been marked by bad ideas, broken promises and a reckless misuse of public resources. At a time every euro is precious for so many people, who work hard to pay their rent, to cover their childcare costs and to pay their bills, Fine Gael has made wasting taxpayers' money official Government policy. Through the national broadband plan, taxpayers will subsidise a private consortium to the tune of €3 billion for infrastructure the State will never own. We have a national children's hospital for which costs have escalated by more than €450 million. We have found out just this past weekend that the Department of Health will require an additional €350 million bailout next month just to break even. I only hope the Minister, Deputy Harris, is not reshuffled to the Department of Finance any time soon because the country would be bankrupt within a month, given his track record in managing the Department of Health's finances. The headline figures from the Government's White Paper last weekend showed that the public finances will generate a budget surplus of €600 million for 2019. The figures also reveal that this surplus has been delivered entirely by unexpected and unsustainable corporation tax receipts. As we have said many times, corporation tax is now the third biggest revenue raiser for the State, with almost half of it coming from just ten companies, any one of which could decide to leave tomorrow. If they did, what then for our public finances and the services that rely on them? Our tax base would be eroded, our public finances vulnerable and our public services exposed to the whims of foreign multinationals.

Our country faces the challenges posed by Brexit in this context. As everyone in this House will be aware, the strategy of the British Prime Minister, Mr. Boris Johnson, and the DUP has no regard for business, workers and communities; the Good Friday Agreement and our peace process; or the consent of the people of this island, North and South. There is no good Brexit; there is no such thing. There is no safe landing zone for this country in that scenario. However, no-one is more at risk than those who have endured the sharp edge of partition, and those in the North and in our Border counties will feel it the most. Is léir gurb í Éire aontaithe agus neamhspleách an t-aon réiteach amháin ar fhadhb an Bhreatimeachta sa ghearrthéarma agus sa mheánthéarma. The industries most affected by a no-deal Brexit will be small exporters, particularly those in the agrifood sector. Uncertainty and the threat of customs checks will bring significant disruption to North-South supply chains.

Sinn Féin has supported the EU's strategy of negotiating with the British Government alongside other parties across the island to protect the Good Friday Agreement and our all-island economy. We support the Minister's decision to deficit spend in the event of a no-deal Brexit. Sinn Féin's economic response to Brexit is based on two priorities. It is about supporting businesses, sectors and regions that are vulnerable and will be the worst affected; it is also about stimulating the wider economy to protect jobs and livelihoods. What does this mean, and what can be done? It means increasing capital investment. Sinn Féin proposes an increase of €1.3 billion and the creation of 5,000 additional apprenticeships, increasing funding for Enterprise Ireland, Fáilte Ireland and Údarás na Gaeltachta and increasing the research and development tax credit for SMEs. Whatever the outcome, these measures should be taken.

The greatly anticipated rainy day fund has finished before it has even started, with no money going into it from this year's revenue. The rainy day fund was badly designed policy from the start. Sinn Féin opposed it from its inception. The legislation that underpinned it allowed it to be used only in exceptional circumstances. Exceptional circumstances laid out in the legislation include bailing out banks, major structural reform or natural disasters. Indeed, when Sinn Féin proposed amendments to allow it to be used in the context of Brexit, Fine Gael and Fianna Fáil voted against them. Lo and behold, the chickens have now come home to roost. We have been proven correct and the Minister has had to dump the idea of putting €500 million into this fund, because if he does, he cannot use it to deal with Brexit. This was, again, misguided, and I am worried that it took this long for the Government to see the sense in what Sinn Féin has been saying.

By announcing a €1.2 billion potential fund, the Minister has heeded much of what Sinn Féin has been saying about the negative fiscal impact Brexit will have. For at least a year we have called for the rainy day fund to be replaced with a €2 billion stabilisation fund to support jobs, businesses and communities at risk of disruption. This is needed and the Government would do well to stick to this advice. The measure the Minister has introduced today, while welcome, simply does not go far enough. In my view, he has underestimated the real impact a no-deal Brexit will have on regions, jobs and sectors. Supports will need to be beefed up.

Brexit was always going to have an impact on this budget but it should not have defined it. The Minister has used Brexit as cover. Indeed, we have heard from Fianna Fáil that it seems to be that party's only fig leaf, excusing its continued support for the Government's budget and reign in office. It is an excuse for failure. Outpatient waiting lists are at their highest since records began in this State. More than 569,000 patients are waiting for a hospital appointment; that was not caused by Brexit. More than 10,000 citizens are homeless and average rents have increased by 20% since the Government took office; that was not caused by Brexit. Everything and anything this budget has failed to deliver and the issues the Government believes it cannot invest in at this point have been blamed on Brexit by the Minister and by Fianna Fáil.

However, the public finances can be safeguarded and the people's priorities can be delivered at the same time. The parameters of this budget were not set by Brexit; they were set by the Minister and his Government. This budget could have given workers and families a break had the right choices been made. Ba deis é an buiséad seo chun faoiseamh a thabhairt don lucht oibre agus do theaghlaigh atá ar an anás, agus cabhair a thabhairt dóibh.

I will not go through every tax measure because time will not allow it, but I will make some observations. Regarding the earned income tax credit, we have another year in which the Government does not get there. It will be another year before it is fully equalised. No ifs, no buts, it should have happened this year. Indeed, it should have happened last year. Commercial stamp duty is being increased by 1.5%. This is a policy position that Sinn Féin has advocated, but the Minister should have gone further. It should go up to 4%. There is a bubble in commercial stamp duty and we need to redirect workers in that sector towards building the necessary homes. Speculators are making millions of euro from property, especially in this city, and they need to be taxed more. Regarding SARP, what has to happen before a discredited tax relief for super-high earners is scrapped? The tax loophole lobby cannot believe its luck that it has the ear of the Minister for Finance again. With the support of Fianna Fáil, he will continue with this tax credit. It is absolutely ridiculous, given the fact that the Government has not invested the necessary supports in areas such as mental health, children in need and the housing and homelessness crisis that we face.

It has been a decade since taxpayers bailed out the banks to the tune of €67 billion. The Government pumped billions of euro into Anglo Irish Bank, Irish Nationwide, AIB, Bank of Ireland and Permanent TSB at a great social and financial cost to the taxpayer. Today that bill stands at €42 billion, with the State's financial watchdog telling us that taxpayers will continue to pay €1 billion every year just to service the bankers' debt. All the while, these banks enjoy a privileged tax break they have done nothing to deserve. By being allowed to carry historic losses forward against their profits, banks have been able to reduce their corporation tax bill to zero. They will continue to do so for the next 20 years despite making multi-billion euro profits. It is unjustifiable that AIB and Bank of Ireland, which each record €1 billion in profit per year, will pay no tax at the same time the Government is putting an additional squeeze on ordinary people through unfair carbon taxes. This is unfair and unjustified, and the Minister should move on this issue. It is time to listen to Sinn Féin and end this tax break for the bailed-out banks. His friends in Banking and Payments Federation Ireland may disagree with me, but the ordinary people of this country will not.

Ending this tax break would bring in €175 million each year. That measure alone would pay for a €5 increase in the carer's allowance and carer's benefit and a €9 increase in the disability allowance. In addition, it would cover half the cost of Sinn Féin's proposal of an annual back-to-school bonus of €140 to help families send their children to school. These measures alone would have delivered for citizens with disabilities, prioritised the interests of our children and given parents a break. Those are the choices Sinn Féin would make but which the Minister has not. He has again prioritised the interests of the banks over of those of the ordinary person.

He has finally attempted to get a handle on the tax avoidance exploited by property investors but it is too little, too late. Indeed, by increasing the dividend withholding tax to 33%, and the rate of capital gains, the Minister could have raised an additional €35 million. This, in turn, could have provided free public transport to all children up to the age of 18, as Sinn Féin argued for. This would encourage the use of public transport and provide the alternatives needed to reduce emissions. Ending the special assignee tax relief, which allows multinational executives to write off a third of their salary in income tax, would have raised an additional €15 million.

I will give an example of what exists in our tax code. I know the Minister understands this, but perhaps the people listening at home do not. This is a loophole or tax relief for a multinational executive who moves to Dublin on a €1 million salary and is able to dodge income tax of more than €123,000 because of a measure introduced by the Minister and supported by Fianna Fáil. Any worker pays at a rate of 40% on income above the standard rate band, but these individuals are able to pay at an effective rate of 28% as a result of this measure. As I said, it is unjustifiable. Ending the scheme would help to provide the improved pay and conditions the Defence Forces much deserve. It would end the scandal of Defence Forces staff living in poverty or sleeping in cars. It would restore the weekly training allowance of €32 for school leavers with disabilities which the Minister for Health cynically cut last month. This is not fantasy economics; it is about political choices. Does the Minister want to provide tax relief for multimillionaires who can avoid paying tax, or should we restore a cut that should never have been made for those with disabilities and ensure the provision of additional supports?

Deputy Caoimhghín Ó Caoláin: Hear, hear.

Deputy Pearse Doherty: These are the simple choices to be made. It is not fantasy economics and has nothing to do with Brexit. It is about the choices Sinn Féin would have made which, unfortunately, the Minister did not. He is showing the ideological position of Fine Gael, whereby he has put the interests of the elites above the interests of ordinary people. Instead of tackling the inequality in our society and ensuring those most able to shoulder the burden pay their fair share, including the banks, international investors and the super rich, the Minister has chosen to distil his entire climate action plan into a regressive tax on households. The increase in carbon tax is no panacea to the climate crisis. It is a box-ticking exercise. Taxes are implemented to serve one of two purposes, either to change behaviour or to raise revenue. As it stands, the carbon tax has brought in €400 million every year since it was introduced, but it has not effected any real change in the behaviour of citizens or the policies of the Government. This is because behavioural change can only take place when there are alternatives available. Alternatives require investment. This means serious investment in public transport, renewable energies and energy-efficient homes at a level that will meet the scale of the crisis we face. That is where the Government is falling down and going with an approach that will fail to get the support of the people who need to buy into the idea of the opportunities that are available in the transition we need to make as a country because of climate change.

Sinn Féin has shown how additional revenue could be raised through progressive taxation, closing loopholes and making sure those who can pay do pay their fair share. Instead, the Government has chosen to increase the carbon tax by €6 per tonne and take €90 million out of peoples' pockets. This is a measure that is recognised by the Department and the Economic and Social Research Institute to be regressive. They tell us very loudly and clearly that the measure the Minister is introducing today, supported by Fianna Fáil, will hit the poorest households hardest. They tell us that rural areas will suffer the most and that the worst off will be single parents. It will not change people's behaviour; all it will do is make them poorer. That is the reality of the measure the Minister has introduced.

Electric charging points here and there and tokenistic increases under grant schemes will not cut it. This does not pass as meaningful climate action, given the scale of the threat posed by climate breakdown. It is definitely not the just transition spoken about in the Minister's Budget Statement. Sinn Féin has again put forward effective, radical and realistic alternatives in meeting the climate challenge, but increasing carbon taxes seems to be the only answer of Fine Gael and Fianna Fáil to the climate crisis. It is a tax on low income households and the most vulnerable in our society and does not offer alternatives or adequate respite.

Every year, as the budget approaches, lone parents, jobseekers, parents raising families, children, citizens with disabilities and carers who are our most vulnerable and rely on social security supports hope for an increase in their payment rates. This is because they know that the current rates are simply inadequate and do not protect households or children from poverty. Had the Minister listened to what Sinn Féin had put forward for many years, he would have taken our approach. He would have taken the political football out of this issue and responded to need based on evidence. Had he done so, he would have found out that these rates needed to increase. The social welfare package announced by the Government today is less than one third of that proposed by Sinn Féin. It fails to give families, lone parents, carers and people with disabilities the break they badly need. The Government's approach is to tweak at the edges of lots of schemes. This will enable it to make lots of announcements, but it will not give people the break they need across the board. What was needed was a €5 increase in all weekly rates and, to recognise the increase in the costs associated with disability, a €9 increase in disability payments. That is what the Minister could have done. We showed him how he could have delivered this, but, instead, he decided to go with a minimal approach. By doing so, he has ensured those who rely on social supports will receive a substandard income that will not allow them to meet their own needs and those of their families. Sinn Féin's priorities for social protection focus on those in our society who live in deep income inadequacy, including lone parent families and families with older children. Déantar measúnú ar an tsochaí bunaithe ar conas a thacaíonn muid leis na daoine is laige sa phobal, mar a deir an seanfhocal.

Despite today's announcement, many young jobseekers under the age of 26 years will continue to receive a reduced payment based on age discrimination which was introduced by Fianna Fáil and the Green Party in 2009 and doubled down by Fine Gael and the Labour Party in the years that followed. Those aged between 18 and 24 years receive up to €90 less in their weekly payment than somebody over the age of 26. Sinn Féin would restore the full rate, regardless of age, within two years. This is the commitment the Minister should be giving to young people because it is the right thing to do. The Government will try to make much of what it has announced today on jobseeker's allowance for those aged between 18 and 25 years. It may even claim to be restoring it to the full rate, but it is not. All we have to do is to look at the figures and they do not lie. The Government is allocating €5.2 million for jobseeker's allowance for those aged under 26 years, but we know that the cost of restoring full pay equality is €59.9 million, more than ten times what has been allocated. This is minimalist and does not treat the young people who find themselves depending on social welfare with the respect they deserve.

We know from CSO data that lone parent families experience consistent poverty at a rate five times higher than other families. These are the people who are most likely to experience deprivation. We have continually argued for the establishment of a child maintenance service, similar to that available in the North. Again, the Government has failed to make any allocation for it. We know that child maintenance payments reduce child poverty, something the Government has abjectly failed to achieve. This failure is felt by one in five children in Ireland who live in poverty. What we have argued for and what the Minister could have done is an increase in the cut-off point for the one-parent family payment scheme. We want to ensure lone parent families are properly supported to care for their children up to the age of 14 years, instead of forcing them into poverty when their child turns seven. This cut which was introduced by the Labour Party has not been reversed, despite clear evidence that it has led to increased deprivation for lone parent families. The working family payment was set up to support working parents with children. The existing threshold of 19 hours per week means that many lone parents, often women, who work while raising a family on their own, typically miss out on this support. What we needed to hear about in the budget and what Sinn Féin advocated was the provision of support for these working parents through reducing the threshold to 15 hours.

Understanding the costs families and parents face, what was required was a €5 boost to the qualified child increase for children over the age of 12 years. In our alternative budget we proposed an annual double payment of child benefit to be paid in the summer to recognise the high cost of going back to school. I outlined, for example, how the Minister could have funded this measure. We also proposed extending child benefit to cover 18 year olds still in school. This would have given families a break, but the Government has offered little or nothing to these families or those on low incomes.

More than one quarter of all workers are on low pay. Ireland has the third highest proportion of low paid workers in the developed world. In a country with soaring rents, rip-off insurance premiums and runaway childcare costs, Leo's republic of opportunity does not reward work. Sinn Féin wants to change this. We want to make work pay and ensure it will deliver a decent standard of living for everyone. That is why Sinn Féin is proudly the living wage party. The Government should be appalled that, as families and workers face into the mouth of Brexit, it has left them high and dry. It has deprived them of the minimum wage increase they deserve. It is unbelievable the Minister is not enacting a minimum wage increase as soon as possible. As costs continue to soar and with a no-deal Brexit on the doorstep, the Government has once again abandoned ordinary people.

At the weekend the Irish Hospital Consultants Association voted no confidence in the Minister for Health. The consultants joined Sinn Féin which voted no confidence in the Minister in February, despite opposition from Fianna Fáil which kept him in his post. He is a Minister who lacks the authority, inclination or experience to deliver timely, quality hospital care for patients. He has increasingly become complacent and deaf to the suffering of patients. These are not my words but those of hospital consultants at the weekend. They said it because the public health system was not working. Nearly 700,000 people languish on hospital waiting lists. Over 10,000 patients were on hospital trolleys last month. These figures are unsustainable. The Government is breaking records for all the wrong reasons. It continues to fail patients, doctors, nurses and staff in the health system. Most importantly, it is failing health services. Too many people cannot afford to see their GP. Instead they hedge their bets, refusing to visit their GP until they suffer from more ailments to justify the expense incurred. This is the stupidity that cuts across the dysfunctional health service.

Lack of access to primary care services increases costs and waiting lists in hospitals. The budget could have delivered real improvements in the primary care system if the Government had been willing to make the right choices. As well as directly employing additional GPs in the public system and delivering pay equalisation for consultants, Sinn Féin would have provided for two free GP visits for every citizen in the State. That would have lifted the burden of sickness from workers and families. It would begin on a path towards having a health service that would deliver for patients based on their needs, rather than their ability to pay, ag dul i dtreo seirbhís sláinte atá in ann freastail ar riachtanais an othar.

Over 7,000 people are waiting for home support care. Apparently, we are supposed to congratulate Fianna Fáil on this because, in the words to Deputy Cowen, it fought hard to deliver this measure. The Minister has announced today that the Government will provide an additional 1 million home help hours. Does Deputy Cowen know that it does not even clear the waiting list? Does he know that it requires 2.5 million hours to deal with the 7,300 people on waiting lists? Yet we are supposed to pat Deputy Cowen and the Minister on the back for this measure. The Government is planning on heading into next year without being able to even deal with the level of demand in 2019, never mind the fact that there will be additional pressure next year. We have figures from the Department of Health which show that it costs €25 million to provide an additional 1 million hours, but €59 million, for which we provided in our alternative budget, to clear the waiting lists. Why does the Minister set himself up for failure? The people about whom Deputy Cowen so eloquently talked are not having their needs met. He and his colleagues, with the Minister’s support, have completely failed the people in question. This is another example of the Government’s priorities. Worse still is the spin from Fine Gael and Fianna Fáil as if we are supposed to clap them on the back for setting up these individuals for failure. An investment of €59 million is required to clear the waiting lists, not €24 million to deliver an extra 1 million hours. When Deputy Cowen was going into Government Buildings, he should have lifted the telephone and we would have told him what was needed to deal with the issue.

The problem is that the Government has not dealt with the crisis we are facing in the health service. It is breaking new records, with overcrowding and capacity issues. This morning in my local hospital there were 33 patients on trolleys. Down the corridor is a ward with beds that are unopened. However, the Government has not announced any measure to open hospital beds or recruit the additional support staff required to do so. The only measure in the budget to tackle the capacity crisis in the health service is the Fianna Fáil measure, which is to pump more money into the private sector with another €25 million for the National Treatment Purchase Fund, which is not about increasing capacity in the service. The Minister is spectacularly failing those patients, their families and the workers in the health service who are at the end of their tether because of the pressure they are under. The Minister has done nothing for them with the measures he has announced today.

There could have been serious investment. The Minister could have done as Sinn Féin proposed and opened 500 closed hospital beds, recruited the additional nurses needed, ensured pay equalisation for consultants, provided for investment in primary care services by giving all families access to two free GP visits a year and much more. The Government could have done this if it had been willing to make the right political choices, but it has failed time and again. It has also failed on the national cancer care strategy, the national maternity strategy, the national trauma strategy and the national ambulance reform plan. A total of €8 million has been allocated for these four areas. The national maternity strategy needs €75 million in the next ten years, which works out at €7.5 million each year. That is what is required, but, unfortunately, the Government has again failed spectacularly.

Every day our attention is drawn to the housing crisis. Renters have to hand one third of their pay packet to their landlord. Families and couples are struggling to find a home they can afford. Homelessness figures have reached their most disturbing levels. Rents continue to rise, with no sign of letting up. The housing crisis has become wrapped up in statistics and figures, instead of focusing on the people behind the statistics and the real solutions. Let us face some facts. Things are no better now than they were last year. Last year Fianna Fáil Members were telling us how they had delivered the housing budget and how it was going to make a big change. We are no better off than we were last year; indeed, many are far worse off. Over 10,000 people were recorded as homeless at the end of August for the seventh month in a row. That was after Fine Gael and Fianna Fáil had concocted last year's so-called housing budget. This is the Brexit budget; last year it was the housing budget. Nearly 4,000 of those individuals are children. The number of children who are homeless has increased by 365% during a period of five years of economic growth. That is why I ask: who is the economy serving? It is serving the bankers, the international investors, the REITs and the Irish real estate funds, IREFs. It is serving the highly paid when they get their SARPs and avail of other tax loopholes. However, it is not serving the ordinary people whom it should be serving. There are now children growing up in hotels and bed and breakfast accommodation. We have come a long way from the promise of the Republic. These faceless figures hide the hidden homeless. Young people have returned to the homes of their parents to raise their families. There are stories behind the numbers. Tenants still face rip-off rents that are rising faster than their incomes. It now costs more than €1,700 a month to rent in Dublin and the picture is not much better elsewhere. Young people are locked out of secure and affordable accommodation, whether they hope to own or rent. It is better to be a vulture fund or international property investor in today's Ireland than a worker or a family planning for the future. This is no country for young people. They have driven social change and broadened our horizons, but the Government has lowered theirs, which is a terrible legacy.

The housing system is broken and the Government should have taken the first steps today to fix it. In the midst of a housing crisis, how much has it allocated for additional capital investment? It has only allocated €60 million. One could not make it up. It is appalling and sends a clear signal to all those who are struggling with rent, house prices and the issue of homelessness and the problem is escalating. We have rising homelessness and runaway rents. This is not a budget for tenants or workers or families trying to get on the property ladder. This is a budget with no additional targets for social housing, with build and acquisition targets unchanged and no affordable homes to be delivered in 2020. With land hoarding contributing to a new crisis, there has been no increase in the vacant site levy, a gift to developers who sit on land and drive up land and house prices. What this budget does deliver is significant increases, as we would expect from Fine Gael and Fianna Fáil, in subsidies for private landlords, with spending on HAP and RAS at least twice as big as funding for social housing. Once again, this is a budget for landlords. With an additional €20 million allocated for homelessness services, it seems this Government has acknowledged that homelessness will continue to increase. The Minister should never say the Government is investing in homelessness. One does not invest in homelessness. We need to eradicate, not invest in, homelessness. That is the problem. The Government sees it as an industry and sees the business that has developed around it. The Government has acknowledged through this allocation that homelessness figures will continue to increase. In short, this is not a budget for renters or anyone looking for a home.

The only thing Fianna Fáil has to show from this budget is a botched help-to-buy scheme that has failed to deliver on any of its objectives. It will cost €100 million in 2020, €40 million more than has been allocated for social housing. We have spent €200 million on this measure already. The Parliamentary Budget Office stated that 40% of that money was not needed. Some people did not need the support to get a deposit. That means approximately €80 million of this grant went into the pockets of people who were highly paid and did not need the grant to get onto the property ladder. It also demonstrates clearly that 80% of the properties were bought for in excess of €375,000, benefitting high income earners, not low and middle-income workers. Fianna Fáil does what it typically does - continue to extend property-related tax breaks. Fine Gael told us it would be different but, unfortunately, it has buckled on this again.

We had Bliain na Gaeilge anuraidh. Má fhéachaimid ar an airgead atá curtha ar fáil d'Údarás na Gaeltachta agus don phlean teanga, beidh sé soiléir go bhfuil €1 mhilliún i gceist ó thaobh cúrsaí caipitil agus €1 mhilliún i gceist ó thaobh cúrsaí reatha. Ní théann an t-airgead seo fada go leor. Tá Údarás na Gaeltachta ag rá linn go bhfuil bearna de €10 milliún in aghaidh na bliana i gceist leis an údarás a reáchtáil, agus go bhfuil €5 mhilliún sa bhreis ag teastáil do na tograí caipitil atá idir lámha acu. Tá an Rialtas ag cinntiú nach bhfuil go leor airgid tugtha don Ghaeltacht agus go mbeidh sé fágtha ar an trá fholamh arís. Once again, this Government is failing on this.

The Government has done nothing on the high cost of childcare. It needs to start to take steps to reduce the burden on ordinary families. It needs to be a crisis in government, not just in the home where people have children going to the childcare setting. We are paying among the highest childcare costs in the world. The price has gone up to €184 per week. We have shown how the Government can transform that through a five-year transformational programme beginning this year when we could have reduced the cost of childcare per child per month by €100 by making the additional investment that is required. The Government has completely failed these families on this. Childcare costs will continue to increase year on year as they have done every year under this Government.

This is a do-nothing budget from a do-nothing Government. This time Brexit is the excuse for a Government that is out of ideas and out of time. When we subtract what has been taken from what has been given, this budget has delivered very little for workers and families. This is not the budget Sinn Féin would have delivered. Sinn Féin would have brought forward real and deliverable solutions, putting citizens, not vested interests, at the centre of our economy. Ordinary people would have been at the top of our priorities. That would have tackled the rip-off costs faced by countless families, sky-high insurance premiums, extortionate rents and eye-watering childcare or back-to-school costs. These could have been dealt with in this budget. That would have raised incomes and made sure that work delivered a secure standard of living necessary to meet families' needs and given workers and families a break. That would have been our priority. It must be the role of the State in promoting the development of an economy that serves everyone and all to take a side and take a stand for what is right and good. There are values we all must abide by, stepping up and providing where there are failings, rectifying wrongs where they have happened and taking charge where the State has abdicated its responsibility. Unfortunately, this budget has failed to deliver on these values. Sinn Féin will continue to lead the way and one day, perhaps, the Government will listen.

Deputy Denise Mitchell: Another year and another Fine Gael budget that is all style and no substance. The Government has shown that it cannot properly budget for our vital public services or give struggling families a break. The good people of the northside, who I have the honour of representing, will not be taken in by the Minister for Finance standing in this Chamber and saying that things are going swimmingly and what a great job Fine Gael is doing for this State. Meanwhile, Dublin city is choking. Almost 3,000 children are growing up in hotel rooms across this city. Parents are at their wits' end just trying to make ends meet and Fine Gael cannot bring itself to do the right thing by the honest, hardworking people of this State.

Its bedfellows in Fianna Fáil sit on the sidelines and offer only token opposition, as they have done for the past three years. Fianna Fáil has let down the people of Dublin just as much as its partners on the Fine Gael benches. It will pass another Fine Gael budget that is dead set on maintaining the *status quo* of the haves and have-nots, of the elite and the struggling. A few bob to cover the astronomical cost of childcare will not convince a single family that this Government is on their side because it never has been, and never will be.

Dublin has become one of the most expensive cities in the world to have a child in and the Government does not seem to have a clue as to how to give working families a break. We in Sinn Féin have a plan to radically transform the entire childcare sector, while Fine Gael and the Minister for Children and Youth Affairs, Deputy Zappone, are content to just grant another meagre concession that will be swallowed up within a year when prices go up yet again. There is nothing in this budget for renters while the winners are those profiteering from the housing crisis, just as it has been for every Fine Gael budget we have seen. People across this city from Cabra to Crumlin to Coolock are all united by the dread of another year passing and the rents going up. Rent pressure zones are not working and there is no hope on the horizon for anyone stuck in the rent trap under this Government.

Sinn Féin would help renters by introducing an emergency freeze on rents and bringing in rent relief that would save them the equivalent of one month's rent each year. Budgets are about choices and Sinn Féin chooses to invest in services that will make a real difference to ordinary families by reducing the cost of living and allowing those families the benefit of knowing that a parent does not have to give up work to mind a child or children; that if that child falls sick, there is a bed for him or her in a hospital and not a trolley or a never-ending waiting list; and that they need not panic the next time the car breaks down or schoolbooks need to be bought. The budget cannot be about just getting by.

4 o'clock

It must be about ensuring that people have a decent life. We need to give working families a break, not to talk down to them and tell them we know best and that they should work harder. People are working harder; harder than the Government and its Fianna Fáil sidekicks, that is for sure.

Deputy David Cullinane: Sinn Féin puts workers and families first. That is our main focus and was so in the alternative budget we put forward last week. I am sure the Minister will have seen many of the proposals we made. This Dáil has time and again debated the crises in health and housing. There have been hundreds of hours of debate on these issues. Even the Government has accepted there is a housing emergency but where is the sense of urgency in the budget? Where is the break for those who pay high rents or for those who need an affordable home? A sum of €60 million of capital funding has been allocated for housing, as Deputy Pearse Doherty outlined, but that is a disgrace when people need social and affordable homes. Last year, the Government indicated that it had a housing budget but it made little difference to those in need of housing, while this year the Government has put forward €60 million in additional funding. It is a disgrace.

Where is the break for those who are crippled with childcare costs or for those families who face high costs for their children's education? Where is the break for those who are waiting to see a hospital consultant, for those who are waiting for hospital treatment, or for the hundreds, and sometimes thousands, of people over the course of a year who are left on hospital trolleys?

The break for any such people simply is not included in the budget. We will not get it from Fine Gael or Fianna Fáil. Let us bring a sense of reality to the debate. The budget is every bit as much Fianna Fáil's as it is Fine Gael's. Fianna Fáil cries crocodile tears in the House about what is not in the budget. We heard Deputies Michael McGrath and Cowen talk about the successes they say they secured in the negotiations with Fine Gael's Government but that is what coalition partners do. Fianna Fáil is Fine Gael's coalition partner, propping it up.

Both Fianna Fáil and Fine Gael represent a cosseted, privileged class. Both parties when in government protected bankers. Through their policies, both parties changed the law to bring in vulture funds and allow them to prey on people whose mortgages were bought against their will. Both parties changed the law to allow families be evicted from their homes. They give tax breaks to landlords and sit on their hands while rents go up year on year. In Dublin especially, but throughout the State, people spend large portions of their income on rents. Buying one's own home is now out of reach for ordinary people in many cases. Where is the hope for any such families in the budget? It is not there. Both Fianna Fáil and Fine Gael have protected millionaires with tax loopholes made only for them. They have protected the insurance industry, which preys on working families with rip-off rates, and they have done so time and again with every passing budget. The budget before us is the fourth from Fianna Fáil and Fine Gael but it is also the fourth budget to reinforce the crises in health and housing and to do nothing for those who need more affordable childcare or for working families who work hard and want a break. It does nothing to solve the problems for the vast majority of families. Nevertheless, each time, Fianna Fáil comes to the Chamber and pats Fine Gael on the back, and *vice versa*, as we saw the Minister do today, saying what a great job the other has done.

What has the Government done? It has given tax exiles a tax break, as it always does, and ensured they are the people who are protected. Such people do not pay their fair share in taxes, they fly in and out of the country on their private jets, and their carbon footprint would put the entire aviation industry to shame. That is who the Government represents, namely, the elites, the vested interests, the banks, the insurance industry, the cuckoo funds and similar sections of society. The Government is not delivering for families or workers, however, as we in Sinn Féin proposed in our alternative budget. Many families are struggling but I do not believe that Fianna Fáil and Fine Gael understand that. Such people struggle to ensure that their bills are paid and that their children have food on the table. They have to go to extreme lengths to make ends meet. As one parent recently told *thejournal.ie*:

> The children look for money for school trips, and we often have to say no to even five euro, we just don't have it, even though we budget carefully. We have to say "sorry we can't" ... they are very good kids and we hate that they feel different.

Parents struggle to meet the costs of schoolbooks, uniforms and so-called voluntary contributions. Another parent when asked stated:

> I find life very hard, not being able to pay all my bills, always putting some on the long finger. The stress makes me sick. I'm always worrying knowing that my kids have to go without.

The high cost of living drives stress and anxiety for many families throughout the State but the budget will do little to ease that anxiety because there are no breaks for them. We in Sinn Féin will challenge the vested interests and the elites because we are not here to represent them and we do not make any apologies for that. We are here to represent ordinary working people.

That is the real reason the Taoiseach, Fine Gael and Fianna Fáil fear Sinn Féin being in government. They know we will not represent the vested interests in society and that we are not here to represent bankers, speculators, landlords, or cuckoo or vulture funds, which prey on ordinary working people. We are here to represent those who are listening to the debate and who will say, “Another budget but nothing from Fine Gael or Fianna Fáil.” The Government did bring such people something, however, which brings me to the issue of carbon tax.

The Government knows, given that the Department of Finance has so advised it, that carbon tax is unfair and regressive. It was told that at meetings of the Joint Committee on Climate Action and of the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach, and it knows that it will have the greatest impact on the most vulnerable in society and those who live in rural Ireland. The Minister for Finance stated as much. The Government is increasing carbon tax not because it believes that it will make any difference to the environment or that it will reduce carbon emissions but because it will raise revenue. It will do so unfairly but the cover of climate action has been used to justify the increase. The Government has told the people that for the next ten years, there will be increases in carbon tax, which will increase the cost of diesel, petrol and home heating oil for those who do not have alternatives. The logic of the Government’s position is crazy because the vast majority of people do not have alternatives. What does it say to a family whose home is heated by oil or gas and who cannot afford to make a change? What grants will the Government put in place for such families? Increasing carbon tax and signalling an increase year on year means they will have to pay more. They will be poorer. The country will not be greener or cleaner but families will be less well off.

What about all the people in rural Ireland, many of them living in the same constituencies as members of the Government, where public transport is non-existent and where buses do not service many towns and villages? Many Expressway services have ceased in recent years because money was not invested by the Government. What will it say to all those families in rural Ireland when it slaps an increased carbon tax on them this year, next year and the following year? They need solutions. My party has for decades called for investment in public transport. We embrace climate action because we know that social justice and climate justice are two sides of the same coin. We want high quality public transport, not just in Dublin but in Cork, Limerick, Waterford, Galway and all the rural places in between. We want people’s homes to be of the highest standard. When Fianna Fáil was in power, it represented developers who built many substandard apartments in Dublin and elsewhere. When the bottom fell out of the economy and many people were left without a home, we argued that high quality homes were needed but many people remain without them. What will the Government do? It will slap an increased carbon tax on those families.

The budget does nothing for hard-working families. We in Sinn Féin have put many alternatives in our budget. The Government could have done a lot things. We called for two free GP visits for every person in the State without a medical card or a GP card to give families a break, reduce the cost of their healthcare and ensure they would be able to afford to go to a doctor. We all know many people who put off going to their GP because of the cost. This measure would have made a difference to such families. However, the Government chose not to do so because it does not represent these families. It represents the cosseted and privileged class to which I have referred.

Sinn Féin called for an emergency rent freeze and the provision of tax relief for renters equal to one month’s rental costs. Again, the Government did nothing to tackle high rents which people are left to pay year on year, while nothing of significance has been done to provide affordable housing. There is nothing for those who need local authority housing. We put forward solutions around increased investment in childcare and improvements in the pay and conditions of childcare workers. The Government, however, has done nothing and left the people concerned behind.

I heard Fianna Fáil spokespersons refer to the high cost of insurance, but that is a debate which has been led by Deputy Pearse Doherty. While Sinn Féin has called on the Government to properly rein in and regulate the insurance sector which is ripping people off, the Government has sat on its hands time and again, as it has on everything else.

It is about time we had a Government which did not represent the bankers, speculators, vulture funds, landlords and developers. Imagine a Government which represented ordinary working people. Imagine if there were a budget announced today that actually gave families a break, dealt with health, housing and childcare issues. The Government is afraid to raise revenue from those with the deepest pockets. Those who earn over €140,000 should be taxed a little more to pay for these services, but Fianna Fáil and Fine Gael run away from that proposal because they do not represent the interests of ordinary working people. It is only when there is a Sinn Féin Government and finance Minister taking to his or her feet that we will see a budget which will deliver for the vast majority of working families.

Deputy Joan Burton: There will be a great deal of sadness, frustration and disappointment in hundreds of thousands of homes tonight as older people in retirement and on pensions from the Department of Employment Affairs and Social Protection, carers and people with disabilities who rely on social protection incomes look down the list and see that there is nothing in the budget for them. A pensioner couple will get nothing. While I welcome the increase in the living alone allowance, what about pensioner couples? Do they not have an entitlement to some consideration from the Government? According to the ESRI, inflation next year will be approximately 1.5% without Brexit. However, the ESRI has stated that if there is a difficult Brexit, inflation could rise, particularly for the price of cheaper foods. Those Members who do a weekly supermarket shop will know that many foods are imported from England. One does not have to be an economist to know that if there is a hard Brexit, those prices will rise. Who will they hit? They will hit those on the lowest incomes, whether as a result of low pay, reliance on social welfare or retirement payments, who are shopping around for bargains. The ESRI estimates that in the event of a no-deal Brexit, the cost will be between €892 and €1,360 per household. Over and over again, the Minister for Finance said the budget was based on a no-deal Brexit. Nevertheless, the Government has decided to leave the poorest and most vulnerable people in the country out of the Brexit considerations. Can any of the Ministers of State who are present explain that? It is an unbelievable error of judgment with reference to the people the ESRI has told us are most likely to suffer from a difficult Brexit.

I refer to pages 90 and 91 of the budget 2020 expenditure report which the Ministers of State opposite have and can check for themselves. It states the State pension which is €248.30 this year will be €248.30 next year. The widow's pension which is €208.50 this year will be €208.50 next year. The rate for those in receipt of unemployment benefit is €203 this year and it will be €203 next year. A couple of concessions have been made. We welcome the increase in the living alone allowance, from €9 to €14, which is the first increase since I increased it as Minister some years ago. The Government has given children over 12 years whose parents are unemployed and on social welfare payments an extra €3 per week. It has given children under 12 years whose parents are unemployed and on social welfare payments €2 per week. There is nothing for all those families in work who rely heavily on child benefit. While there is some allocation for childcare subsidies, it is a mess in respect of children who are under four years old. What about children over four years? They eat and will want to be reflected in the household budget in the event of a difficult Brexit, but there is nothing in it for them. While I welcome the increase in the child dependant allowance, is the Government completely insensitive to the position of families on low incomes, social welfare incomes or retirement State pension incomes who will get nothing in the budget? If one looks at their costs, it is clear that some will be impacted on by the carbon tax.

It is a particular disgrace in the context of the scenario the ESRI has set out on the impact of a no-deal Brexit that there was not one word from the Minister for Finance on an increase in the minimum wage. When I was Tánaiste, I oversaw the introduction of legislation and arrangements, including the Low Pay Commission, to get to people who were working hard on the minimum wage. We were meant to pass on 1 January 2020 the magic threshold of €10 per hour, but there was nothing today from the Minister on it. I assume, therefore, that the increase in the minimum wage of approximately 30 cent has been parked pending Brexit. That means that all of those low paid workers will get nothing, even though they are the ones likely to be affected most by price rises in the event of a difficult Brexit. We agree with the budget referencing the difficulties of Brexit. We have been supportive of the Government in the three years since the Labour Party left office in getting the best possible Brexit deal for Ireland. However, I wonder what happened to the Minister for Employment Affairs and Social Protection, Deputy Regina Doherty, at the Cabinet table. Was she sand-bagged that she emerged with such a dreadful outcome? I know how hard it is to fight as a Minister for a share of the available funding, but she appears to have sold the pass. The people who are likely to be affected most have actually been left out.

The annual budget is akin to an NCT for the Government. It is an opportunity to look carefully under the bonnet, check the breaks, inspect the engine and give the tyres a few hard kicks to see if they are roadworthy. A vital task of all Deputies in the House is to sit Ministers down, tell them to breathe deeply and have a proper, no holds barred examination of their stewardship. One duty that falls on us here is to use the budget debate to put the public finances under an intense and fierce scrutiny. We need also to expose the Government's often shifting and contradictory outlooks on the key issues of Brexit, climate change and the nation's economic state at a time of great international turbulence. These questions need to be asked repeatedly until Ministers run out of excuses, fantasies about tax cuts, and places to hide. Our task here is to nail persistent evasions, to puncture the make-believe narratives and unpick the deceptions that are at the heart of the Government's story.

The French novelist Voltaire wrote a short novel called *Candide*, whose famous character is a teacher called Pangloss who sees everything with unlimited optimism that all is for the best in this best of all possible worlds. Both the Taoiseach and his Minister for Finance constantly exhibit the telltale signs of the Pangloss mentality. I sometimes wonder if there is a rivalry between them as to which can outdo the other in persuading the public that all is for the best under their benign leadership. We all know this is far from true except to Fine Gael's true believers. The Taoiseach and Minister for Finance went AWOL on the issue of social welfare payments. Neither of them copped that the issue has a Brexit effect and that is amazing.

The summer economic statement is supposed to give an honest basis for the Committee on Budgetary Oversight to do its work. In practice, it has become like a light piece of summer fiction. Last year, the summer statement was woefully dishonest and bore no relation to the subsequent budget or to the final, end-of-year outturn. There has not been much difference this year and we again face the probability of extensive supplementary budgets in many key Departments, with the Department of Heath at the top of the queue as usual, with its voracious appetite for eye-watering additional funds to cover up the Minister's hapless inability to manage his budget year after year.

Let us recall one startling fact about the public finances for 2018. There was the usual forecast of spending and then there was the actual outcome at the end of the year of approximately €77 billion. The gap between the two was eye watering and I said at the time that the Minister found the approximately €1 billion that was missing down the back of the sofa. The Minister produced that money anyway on budget day. The Minister got his numbers wrong by multiples of billions. No wonder the Irish Fiscal Advisory Council has shredded his reputation and record and, indeed, those of this Government. Few Ministers have ever been taken to task as robustly as this Minister was in the council's most recent report early this summer. Its judgment, set out in 176 pages, was that the Government's spending plans were "not credible". Those plans were not credible then and they are not credible now. A chief executive officer in the private sector would be out on his ear for such a dismal result.

The Minister has been saved, time and again, by the massive income coming in from corporation taxes. The Taoiseach vainly boasted that we area raking it in when he was in Davos in January. He was up in the clouds. Even if we are raking it in, to what useful purpose are we doing so? In reality, that flow of cash has been a mixed blessing if its sole purpose is to rescue errant Ministers from the consequences of their financial incompetence and management.

This year was supposed to be different. The Department of Health received a generous Estimate with the express purpose of putting an end to the annual farce of late-year adjustments, but not a bit of it. The Minister for Health, Deputy Harris, is back again for another windfall, around the €400 million mark at the moment, and perhaps to increase that as we move to the end of the year. He does not even have the grace to apologise. Let us say the overruns will add up to €400 million, even though I think it may well be more in the end. Has that cash delivered any genuine improvements in health outcomes? It will not have improved waiting lists, trolley numbers or a whole list of defects that plague the health care sector. This money will not have the effect of achieving any significant advance in delivering Sláintecare. That €400 million should be available to deliver the kind of genuine game changers health care in Ireland needs. There are three maternity hospitals in Dublin: Holles Street, the Rotunda and the Coombe. Each has a well established and long agreed capital plan for development at a time when the number of births is increasing rapidly. The Rotunda wishes to transfer to Connolly Hospital in Blanchardstown. There is to be a new national maternity hospital at St. Vincent's to replace Holles Street and the Coombe is also due to be rebuilt.

There are also the many capital needs of existing general hospitals all over the country for extra beds, additional theatres, improved MRI and other diagnostic facilities. If the additional funds were needed to accelerate these projects, there would be no problem in approving the extra spend but that is not the case. We will be asked, in December, to wave through Supplementary Estimates for no other reason than ministerial failure to deliver results within budgets that had been already increased.

Quite simply, Fine Gael is not to be trusted with precious public funds. The proper verdict on their financial stewardship is that it has been unsafe and unsatisfactory. Incompetence is the hallmark of quite a number of people who sit on the Government's side of the Chamber. One cannot make a judgment on a policy by simply saying so many billions are to be spent in delivering it. The public will judge by results, not by grandiose plans and promised billions. Results so far have been few and far between.

This Government has been far too slow in recognising the effects of an almost certain economic slowdown in the USA, China and Europe. The erratic behaviour of the current US administration and very obvious evidence of a serious slowdown in the UK will compound the impact of Brexit, even if a deal is reached in the coming weeks. I find precious little evidence that serious attention is being paid to worrying international trends. The European Central Bank, ECB, is well alert to those trends and is adjusting its bond buying and interest rates to meet those challenges. Many of the big international companies operating here will weather any storms but our own domestic firms will find the going difficult should markets contract through a tit-for-tat trade war.

I have very little confidence that Ministers who fail so badly in managing finances in good times can be trusted when chill winds blow in from outside, even if Brexit ends up with a benign outcome. Not even Professor Pangloss could manage to get good news from that.

This was to be the climate change budget. I doubt the tepid measure announced today will push Ireland much farther up the league of international defaulters - laggard before and laggard still. In any overall strategy on climate change, the transport sector must be front and centre. If there is to be a genuine reduction in Ireland's collective carbon footprint, it will be primarily evident in the way we make the switch in how we transport people and goods. I have seen some An Post vehicles proudly boasting that they are zero-emission vehicles. It is a welcome sight and I hope to see more of the same in all of the vehicles used by public utility companies and public services. Could we have regular audits of how public organisations, such as the Office of Public Works, OPW, are moving to replace their fleets? It is then we will truly know how committed the State is to climate change goals.

There are solid public health grounds, aside from the climate issue, to secure cleaner air in our cities and towns by replacing polluting vehicles and fuels. We now know, from the excellent research done by the Environmental Protection Agency, that there are numerous illnesses, many life threatening, that flow from the polluted air we tolerate far too easily in this country. Many citizens die prematurely from asthma-related illnesses and thousands of others endure distressing and painful conditions that come entirely from the failure of the State to insist on clean air as a human right. The Taoiseach and his Ministers delight in making grandiose announcements of new investment to expand public transport but their record on delivery falls far short of their lofty ambitions. I will highlight a few examples. Any day, morning or evening, the peak-time buses and trains that serve my constituency are packed to capacity. They are so overcrowded and such is the length of the journey that some joke that Dublin Bus or Transport Infrastructure Ireland will install toilets and perhaps a coffee dock on buses because a journey to the outer areas of my constituency that should take between 20 and 30 minutes takes about an hour and a half. The buses are jam-packed. This morning, a man on the bus told me that ten buses had passed him by before he was able to get onto one. The same is true of trains, which are packed to capacity. Those getting on at a later station need those Japanese train pushers to put people onto the train. The timescale for delivery of the extra train carriages required runs to years. Electrification of the principal commuter lines such as the Connolly to Maynooth service must be the imperative, as well as those to Kildare and Drogheda. We should set a timetable for an electric train to Portlaoise and on to Cork and Galway and Sligo. We have no ambition for the kind of transport that other countries take for granted. I am not at all convinced that the Minister for Transport, Tourism and Sport is in any way sufficiently engaged in delivering rail electrification on the scale urgently required. Nor am I convinced that the National Transport Authority is sufficiently equipped to advance the project while also managing BusConnects and the metro. The current arrangements are not adequate to secure the timely delivery of this group of transport projects. There are already significant delays in almost every single element of the plans, which have been announced repeatedly. Public resistance to particular parts of each separate project, notably in the case of BusConnects, has already undermined public confidence in how a much-vaunted project is proceeding. I have referred to several Dublin-based initiatives, which are costly and often disruptive, but other parts of Ireland have the same justifiable needs. Cork, Galway and Limerick all need public transport projects as responses to the current congestion that is both economically damaging and unsightly to all.

In this budget debate, I want to see clear evidence of serious commitment from all parties to a sustained multi-annual investment in top-class public transport that will also be a considerable contributor to low carbon and healthier cities and towns. I hear words, targets and promises from Ministers but fear they lack genuine credibility. It is not the dizzy amounts of capital that jump out from ministerial statements and umpteen launches that count but their proven inability to make delivery on time and within budget that marks them out as failures.

Another critical element is the retrofitting of homes. Many citizens are actively working, using personal savings and public grants, to cut their own carbon footprints and conserve energy. Their children, grandchildren and great-grandchildren are advising them how to do it. This is a moment when people want to do it. Hundreds of thousands of homes that were built decades ago require substantial renovation to upgrade their energy ratings. It will be a truly gigantic task to do this within a decade. One serious deficiency is the shortage of skilled labour for the particular task of conservation as distinct from routine construction activity for homes and offices. The Minister with responsibility for skills should come forward with a training programme to attract apprentices into this area. We do not have enough qualified personnel or dedicated contractors to concentrate on retrofitting homes to a very high standard. We require low-cost financial packages for homeowners, who recognise the value of work that will deliver real savings, to offset the cost of work, not to mention the added comfort which this work adds to homes.

I now turn to carbon taxes. Last June the CSO published an interesting study of environmental taxes, which revealed that such taxes contribute as much as €5 billion annually to the Exchequer under various headings. The report also estimated that Ireland paid a total of €4.1 billion in potentially environmentally damaging subsidies in 2016. We collect €5 billion in environmental taxes but then give €4 billion back in subsidies, some of which cause pollution. That lack of joined-up thinking must end. Each budget should contain a number of specific clawbacks of these subsidies by reducing both the tax reliefs and the direct subsidies. These subsidies just emasculate the effectiveness of environmental taxes because they actually encourage activities that add to the economy's carbon footprint. It is unfortunate that the climate change debate is obscured by arguments about one type of carbon taxes. The State's response must involve a much wider suite of measures in respect of electricity and home improvements and above all, with a commitment to public transport on a scale never seen before.

Demography is another key word in the budget along with Brexit. On my first day as Minister for Social Protection I was given the usual briefing given to new Ministers. I had expected to be told of the pressures that I would face from the economic crash and the troika demands but I did not expect the blunt assessment of annual costs that would arise from an ageing population. People are living longer, an undoubted and welcome triumph of medical advances, and I was told that I would need to budget for an additional €200 million annually to pay the State pension even without any increases in rates. That is no less true today than it was then and there is a further dimension now. There is now a further dimension as the number of children is growing very fast. Indeed many European countries look on amazed and even envious as Ireland's population grows in a way that is unique. Current CSO figures indicate a remarkable youth share of Ireland's overall population, with more than 20% in the zero to 14 years age cohort. In the long term that is a fantastic bonus but right now, it brings substantial costs in healthcare, in safe maternity facilities, in parental leave entitlements and in education at all levels from early childhood to third level. The emphasis is on current costs and not enough attention is paid in the capital budget to meet these needs.

We all know how the Government has bungled the national children's hospital with serious and unacknowledged consequences for every other aspect of the capital programme. Our maternity hospitals are in dire need of investment, schools need to be built on time when there is a population bulge, early childhood education has a paramount relevance both as a key component of childcare and as a proven catalyst for later educational achievement. At the other end of the age cycle, there are ever-increasing care needs for senior citizens. One thing that disappoints me is the shockingly slow pace of delivery of the scheme to enable workers to save for a supplementary pension to add to their entitlements to the State retirement pension. The Minister is not present to say what ever happened to the agreement on this scheme. We have not heard a word about that. There was lots of chat about it from the Taoiseach and then it simply vanished.

Many people at work are now denied a clear path to home ownership. It is one of the most disappointing things about the Government. Fine Gael is going out of its way to end how in Ireland, people legitimately aspire to own a home and we therefore have a home-owning democracy. It is determined to change that and to put everything to do with housing, as far as possible, into the hands of landlords. This is going to have major effects on how we live and what happens to people in retirement. The Taoiseach and his mates are content that people in their own age group should be happy to rent all through their working lives. One does not need a crystal ball to predict what this will mean decades from now, when that group comes to retirement age. They will need to continue paying rent from their retirement income, while those who manage to own their homes will have paid off mortgages and will not have this pressure on their monthly income in retirement. This alone is one reason that Fine Gael must think about what it is doing in housing and the imbalances it is causing, never mind the distress and damage being done to children and adults who are in long periods of homelessness. I will make a brief comment on the cultural institutions. We had a visit recently to this House from writers who wanted to talk about putting books into school libraries in order that every child is encouraged to read books. World-famous authors, such as Anne Enright and Paul Murray, were present. It was a modest proposal but is one the Government should seriously consider. Every school should have a library and a modest fund to buy books that children can read. Similarly, every child should have an experience of a cultural event at least once a year.

I will conclude by noting that the Taoiseach has been happy to display his education in the classics, particularly when Prime Minister Johnson was here a few weeks ago. Given this classical education, I am sure he is well aware of the dangers of hubris and to the Government I now say, when hubris comes, can nemesis be far behind? This is a friendly warning to this Fine Gael Government which I hope it will consider.

Deputy Alan Kelly: I thank the Minister of State for being here this afternoon.

This is no reflection on the Minister of State who is present in any way but it was the tradition in this House that during the main budget speeches on budget day, the Taoiseach or the Minister for Finance or, in the past few years, the Minister for Public Expenditure and Reform would be in the Chamber to listen to the speeches delivered. It is shocking that a tradition has now emerged that it is acceptable not to be here. As a House this is something that we have to deal with and reflect upon. It does not look good for the Government that it prefers to be outside spinning in the media doing whatever it is doing, instead of listening to the contributions here in the Chamber. I already have had one bad episode in the past week where a Minister refused to come in to answer a question and this is another example.

On behalf of everybody in this House, I thank the Lord this is the last budget of this Government. Not anybody, even on the Government side, could have another one. We are tinkering towards the end and this marks the end of the arrangement in place between Fine Gael and Fianna Fáil. This budget demonstrates that the Government is politically impotent and has been sterilised to inaction. This is a budget that actually does nothing. If anything, it will make things an awful lot worse. For all the hype of this year's budget, it is crystal clear that this is a budget for the very few and only for those on higher incomes.

Given the arrangement between Fianna Fáil and Fine Gael, what we have in respect of social welfare is astounding. No increases to deal with inflation and Brexit, which obviously will create additional costs for people, have been provided. This is astonishing. It tells me of the position of the famous Deputy Willie O'Dea within the Fianna Fáil Party. He obviously was not able to push it that hard this year. It is worrying for me that Fianna Fáil rolled over and did not push for increases to meet inflation in social welfare. I will return to this point.

This then brings me to the Independent Alliance, who had their bellies tickled and who came into line over changes in the medical card allowances. I was watching with great humour over the last four or five days how the Independent Alliance Ministers were running around the place, trying to jump in front of cameras again, not knowing but really knowing that RTÉ were outside to watch them, and pretending that they were very important. Everybody in this Chamber knows that the Independent Alliance had about as much leverage on this budget as anyone. The simple fact is that it did not matter what was going to put forward, they had no choice but to vote for it. The idea that they had a huge impact on this budget is completely and utterly laughable in the extreme.

We already know that the Government is incapable of managing capital spending. We have had a cover-up of €200 million plus, based on the children's hospital, the public services card and broadband. We are aware of this but we can also see here again this year, because it is cyclical, that it also cannot manage current funding. Year on year, there is no reform of the same mistakes. The same mistakes are made and are reliant on the same tax take from certain areas to fill the gaps in other areas. We go on and on. We continue on and on with the overspending, the dependence on corporation taxes and the non-sustainable practices.

This is no more true than in the case of health. From a health perspective, this budget is absolutely dire because it does not start the reform programme we all know must happen. Sláintecare happened because many of us in this House, myself included, spent 11 months writing up a cross-party agreement but the commitment to that agreement has to be actioned. We have had another three budgets and the reform is not happening. It is not happening because ultimately, the Government is not committed to it or to the consensus that was reached. When it comes to the transitional fund that is required to turn around the health service, to make it public and community-facing and to ensure we can restructure the health service in order that the acute system is not under so much pressure, it simply cannot happen because of actions taken by the Government.

More than 3,000 midwifery and nursing posts are vacant at present. This budget will do nothing to do deal with the recruitment ban that is obviously in place. The increases that have been put forward for nurses and other medical professionals will simply deal with demographic changes. That is, by the way, a consistent line across this budget. Many of the increases the Government is shouting about will only deal with demographic increases. That is the simple truth of the matter. It is not a real increase. It is actually only to meet demographic profiling, of which the Government is well aware, but it sells it as an increase. However, it is only included to allow us to stand still. The increases being talked about by the Government are only to enable us to stand still. That needs to be made very clear.

We cannot continue with the current set-up in acute hospitals. What is happening in that regard is criminal. The situation at University Hospital Limerick demonstrates this the most. It is disgraceful. The hospital needs a €40 million current expenditure recalibration just to be the same as Beaumont Hospital in Dublin. That is €40 million per year to have the same number of beds and the same number of doctors, nurses and health professionals. University Hospital Limerick barely has a half-functioning CT scanner. In the past two weeks I had to beg it to buy a new one. Perhaps it is now renting one. That is the scale of it, but what does the Government do? It goes back to the National Treatment Purchase Fund, NTPF, which puts more money into private practice. It is more money for the Government to buy its way out of the fact that it has no capacity to solve the problem. There is no commitment to Sláintecare and the recalibration to which I refer. The Government is just throwing money at the problem again and, I dare say it, is being supported by Fianna Fáil. Throwing money at the private health sector is short-termism and it has gone on for four budgets in a row. This is the fourth budget in a row that the Government has thrown money at the NTPF to bury a little bit of the problem, with no reform whatsoever.

The Government's proposal for GP visit cards is a laugh. The next budget will be announced next October, yet GP visit cards for under-eights will be provided next September. Will the Leas-Cheann Comhairle create some rules to deal with this kind of pulling the wool over people's eyes? It was announced that the GP cards would be available for children under the age of eight years but in 11 months' time. The measure will not happen in the budget cycle of the Government as it will not be within an ass's roar of this place by then. It will be long gone. The measure is not even budgeted for in the figures included in the documentation provided today, which shows how irrelevant it is. The proposal will not happen. It is a commitment given, on which the Government has no intention of following through because no costing has been provided for it.

On the provision of medical cards for people who are terminally ill, I see that the Minister for Health, Deputy Harris, has announced that he is doing something about the matter. He said he had asked the HSE to deal with it. I want to make a commitment to Mr. John Wall who has fought for this measure for the last year and to whom I spoke earlier today. I have got to know him quite well and admire him. He is a man with a terminal illness and wants to know where the measure is budgeted for. It is either budgeted for or it is not. It cannot just be a case of asking the HSE and it coming back in a few weeks to state it can do it. The provision of medical cards for terminally ill patients is either covered by a budget line or it is not. If it is, where is it covered? A 24-month profile is probably what is needed because we have to have some way of dealing with the matter. I want to see where provision is made and want to see the details. Until I see them, it does not exist and I want it to. I want the Minister to show it to me. I will congratulate him on the specific item if he does, but I cannot see it. I want it to be proved that provision has been made.

I now turn to the issue of home help hours. We welcome the increase. I speak about this issue all of the time. Until we have a registered employment agreement for people who work in this sector, we will always have these problems. People cannot afford to work in it. That is the real issue. There are many people who want to work in it but cannot afford to do so. The idea that a person should go for half an hour to one couple and then half an hour to another is just ridiculous. The actual figure brought forward will not even bring us to where we need to be in 2019. It is way behind.

There is nothing in the budget to increase hospital bed numbers, a problem which we all know is at epidemic proportions. There is also nothing in the budget for hospital consultants and to deal with the issue of pay equalisation. Given the volume of consultants, the issue is chronic. They are being educated in Ireland and then leaving. There is nothing in the budget to deal with the ambulance programme or maintain GPs, especially those in rural areas who are constantly leaving. The core issues are not being dealt with across the health provisions.

I support the national maternity strategy 100%. Nobody supports it as much as I do and I have commended it consistently. It is costing €70 million to €80 million, but we are way behind. It cannot be met. As a requirement, the figure is averaging at some €8 million per year. The Government cannot find even the €1 million needed for the design stage to progress the new maternity hospital project in Limerick, while it tells us that the national children's hospital has had no impact on other projects. What a laugh.

All Members of the House support the national cancer strategy, but there will be extra costs, given the review by the Royal College of Obstetricians and Gynaecologists, RCOG, and the implementation of the report on cervical cancer, with other changes. It is, therefore, very disappointing to see no further commitment being given in that regard.

The changes to out-of-pocket expenses that have been brought about by the Government are welcome, but, again, it will not happen until next July which is a long time after the Government will have existed. We talk about reform. Perhaps we could start by reforming the budgetary process in order that we would not have these false announcements across a spectrum of areas.

I would pay to be at the media briefing with the Minister for Health, Deputy Harris; I am sorry, I mean the Minister for Housing, Planning and Local Government, Deputy Eoghan Murphy. I would definitely pay if it was the former. The Minister for Finance, Deputy Donohoe, dealt with the issue of housing in a way that was just routine. Because it was dealt with in such a routine manner it amplified and demonstrated that Fine Gael really had no commitment to the provision of social and affordable housing. There is nothing in the budget to help young people to buy their own home, to deal with the issue of affordability or, most of all, to deal with the issue of rents. A few bob is given to the Residential Tenancies Board, RTB. I find it incredible that the Minister announced an allocation of €2 million for the RTB. He needed to announce it in his Budget Statement because he had nothing else to say on housing. That is the reality. In normal circumstances an increase of €2 million for any agency would not see the light of day in a Budget Statement, but the Minister had to announce it because he had to balance things out by saying something on housing, given that he had nothing else to say. By God, he had damn all interest in it, which was quite clear from what he had to say.

The measures on real estate investment trusts, REITs, tax avoidance are absolutely welcome. I found it amazing, however, that the Minister admitted that he knew about it all along. Because of the necessity for a revenue raising measure, he will now tackle the issue. That tells me that he and his officials knew about it all along, that they did not have much of a problem with it ideologically and now that they need money, they will deal with it. That is the bottom line.

The rent pressure zones are not working. There was an opportunity in this budget for the Government to deal with the issue of rents and bring forward innovative measures to freeze rents. Of all people in this House, I know how ideologically opposed Fine Gael is to such a measure.

Capital for building has been provided by way of an approximate €60 million increase. However, it is nowhere near enough. It has nothing at all to do with the provision of affordable housing, in which the Government has no interest.

The houses that have been built and that people are moving into were announced by Deputy Jan O'Sullivan and me.

Turning to social welfare, I do not know where the Minister, Deputy Regina Doherty, disappeared to during the budget negotiations. She obviously disappeared, given what has been announced. It is just a theory, but maybe she was put in the bold corner because of the public services card and she got this as a result. That there is no cost of living increase in weekly rates for carers, pensioners, those with disabilities, widows, widowers and other recipients is unacceptable and utterly wrong. While I welcome the changes in the living alone allowance, the Government did not have the guts to announce an increase in the minimum wage and will wait until March to do so. Why could the Government not announce it in this budget? It has made enough announcements about things that will not happen until long after it is gone. The least it could have done was increase the minimum wage to the recommended level of €10.10.

5 o'clock

People who are dependent on social welfare - the elderly and the vulnerable - are losing in this budget. They are in the negative and way worse off because of the impacts of Brexit, inflation and a multitude of other issues, including the carbon tax and a lack of other measures to deal with that issue. The Minister of State supports a Government that has ensured that the most vulnerable and the elderly will be worse off. It is pretty easy to see that. Just bring out a calculator. A seven year old could work it out. The vulnerable and the elderly will be worse off because of measures that the Independent Alliance has signed off on today with Fine Gael, working in conjunction with Fianna Fáil. That is an indisputable fact. The reality is inflation, Brexit, carbon taxes and a lack of a €5 increase.

Regarding climate change, my issue with the carbon tax is that it needs to change people's behaviour, but this just looks like something the Government knew it had to do, so it threw it in in the belief it would decide what to do after ring-fencing it. There is no plan for the carbon tax and how it will be used. If there was a plan, we should see it in the budget.

A €2 increase in the fuel allowance is a laugh. This is another issue for the Minister of State, so I am glad he came to the Chamber. One in five families does not get the fuel allowance. How will such families net off the increase in the carbon tax? How will we ensure that they do not get caught in the poverty trap? I can see no measures in the budget to deal with that issue. The just transition as profiled in the budget is a pittance.

Some other things are thrown into the budget, including €9 million for greenways. That amount will only cover one greenway. It might be enough for a large capital project in a major city. The electric car element is a laugh. Someone must buy a car for €50,000 to get €10,000 off. He or she would need to have €40,000 hanging around in the first place to buy an electric car. The Minister of State should talk to his colleague, who is one of the super rich few who can buy one. It is a laugh.

Deputy Brendan Howlin: He does not have far to go either.

Deputy Alan Kelly: Absolutely. It would have been innovative to deal with public transport in a real way by having a standard fare in Dublin, Cork, Limerick and Galway.

Deputy Paul Murphy: Make it free.

Deputy Alan Kelly: There would also be a standard daily fare.

In terms of retrofitting, there is already a one-year waiting list for the warmer homes scheme. What is being proposed is a laugh. We should be retrofitting all public buildings. I proposed something that was ignored - start with our schools and other educational facilities in a way that would demonstrate and show leadership. Of course, that will not happen. It is clear that the Government does not fully get the retrofitting concept. The impact that large-scale, nationwide retrofitting would have, particularly in rural areas, would be massive. This is a missed opportunity.

I welcome that funding is being ring-fenced for the midlands in respect of the Bord na Móna workers who are losing their jobs. A few hundred workers at a Bord na Móna factory in Littleton lost their jobs last year. I had to help a Chinese company, the Sabrina Manufacturing Group, to work with Bord na Móna on recycling plastic goods at the factory. Employment is being provided through work that others and I have done. I presume that the people of Littleton and its surrounds in Tipperary who worked in Thurles or still work in related Bord na Móna factories are also covered by this scheme. Surely the Government would not discriminate against the people of Littleton and Tipperary more widely versus people from elsewhere in the midlands. I am sure they are covered, but the Minister of State might check the details for me.

Regarding taxation, I welcome the changes in commercial stamp duty, but massive profits are being made. We can see that all around the country. All one has to do is buy a newspaper. The asking prices alone are colossal. We could have gone further in that regard. I welcome the changes in respect of micro-breweries, a small industry about which I am passionate. This will allow the industry to grow. Obviously, we are far too dependent on corporation tax.

I introduced the vacant site levy and our Government brought it through. It should be increased. Its administration has to change. Not only does it take way too long, but there are too many loopholes, with people able to get out of it year after extra year. This is not acceptable, particularly given that so many of the sites in question are needed for housing in the main but also commercial schemes.

In terms of Brexit, the funding the Government has provided to business is not enough. Communication around the schemes to help SMEs has been atrocious. Just look at the figure for businesses taking up the various offers, for example, research and development grants. The numbers are pitiful because the schemes' administration is too cumbersome and communication about their nature and how they work for specific sectors is brutal and not detailed enough. That needs to change.

I believed that the Government would include measures in the budget to deal with something that had been the major issue of the past few months, namely, the insurance industry.

Deputy Finian McGrath: We tried.

Deputy Alan Kelly: Such measures would have been supported by the House. The gouging of people and businesses is a failure of the Dáil and the four years in government. It is disgraceful. It is killing rural Ireland and businesses across a range of sectors. It needs to be addressed. I am glad the Minister of State agrees.

There is little in the budget on childcare, so there is not much to say on it.

Deputy Joan Burton: No change to child benefit.

Deputy Alan Kelly: No. The offering in respect of public childcare provision is zero. Where the provision of childcare places is concerned, we are facing demographic changes. That is one of the biggest issues facing people in this country and the Government has failed significantly to deal with it.

I welcome the increased number of gardaí coming through Templemore but while the announcement is welcome, like so many other matters, it is to deal with demographic increases. We are only catching up. We are not even going to be at the strength that is necessary. The members of the Government should not pat one another on the back because, in reality, the increase will not have much impact.

In education, there is no change to the pupil-teacher ratio, despite the capacity to move on that. Once again, there was nothing of any magnitude to deal in any way with third-level funding issues. Working principals in small schools are being discriminated against and are leaving the education sector. They have 48 circulars to deal with in one calendar year and they are expected to teach in addition to that. Principals have made submission after submission and proven their point so many times yet the Minister ignores them.

We have nothing of real substance for the disability sector. I demonstrated to the Minister why those who are vulnerable will lose financially from the budget. Rural Ireland has suffered hugely under the Government, which is simply not at the races when it comes to transport infrastructure, water and waste infrastructure and town and village renewal. There are no measures that will have real impacts, although they could have been introduced in the budget. The Government is pretending it is dealing with issues on a cross-government basis but, in real terms, towns around the country are dying and Project Ireland 2040 will kill them off. The budget is a complete and utter failure but, thankfully, it is the final budget of the Government. The Government looks exhausted and the Opposition is exhausted looking at it, so we will all be thankful for that.

Deputy Mick Barry: The Budget Statement mentions the Brexit emergency and the climate emergency but what about the housing emergency? We are experiencing the biggest housing crisis in the history of the State, yet in the budget we have effectively been told that housing must wait. Skyrocketing rents are causing distress in the daily lives of so many people. There were two sentences in the Budget Statement about rent and the rent crisis, and neither mentioned the phrases “rent freeze” or “rent cuts”. There was no mention either of anti-eviction legislation or a massive nationwide local authority house building programme. The Budget Statement mentioned two emergencies and forgot all about the third one.

The Government has nailed its colours to the mast on the issue of who is going to pay for Brexit. That was very clear today from the Budget Statement. Those on the minimum wage, the lowest paid workers in the entire State, are due to receive a paltry 30 cent increase at the beginning of January. That is completely inadequate at a time the living wage is conservatively estimated at €12.30 an hour. What does the Government do? It defers payment for the lowest paid workers in the State. It says that employers may need a breathing space at that point. What about the breathing space for the low-paid workers who are crucified by the increasing cost of living and the increases in rent imposed by their landlords? What the Government did today on the minimum wage was indicative of its entire approach to who pays for a no-deal Brexit.

The Government, with the support of Fianna Fáil, froze the State pension in the fastest growing economy in Europe. The annual €5 a week increases have been completely inadequate but, in reality, they are not even €5 increases as they do not come in until the month of April. Measured over a year, the increase is €3.75 a week. Even that paltry sum was denied to pensioners this year, and it was done with the support of the Fianna Fáil Party. Let that be remembered when the by-elections take place in November.

Deputy Finian McGrath: We will see who gets the seats.

Deputy Mick Barry: I am glad the Minister of State, Deputy Finian McGrath, finds it amusing that the Government has decided to freeze the old age pension. There was a day when he would have spoken strong and hard against it before he turned his back on pensioners and others and started voting for such measures in return for a seat in the Government.

Deputy Finian McGrath: I never turned my back on anyone. The Deputy always ran away and would not take responsibility.

Deputy Mick Barry: Let us have less laughter from the Minister of State on the other side of the Chamber.

No measures have been put in place to deal with price increases, rent increases and pay cuts that we are told are coming as a result of a no-deal Brexit. The Government says it has put in place measures to deal with jobs, but it has allowed in its estimates for 33,000 jobs to be lost over the next year.

A different approach is taken to business. A total of €1.2 billion has been provided, and not all of it is going to small businesses or what are described as medium-sized businesses, although I understand that can include businesses with up to several thousand employees. Big business as well will tap into that fund in a significant way. The Government has said it is okay to tap into the fund in a Brexit crisis, without even guaranteeing jobs or ensuring that there will be no wage cuts. The big beneficiaries of the fund will include agribusiness and the meat industry. In 2016, eight families controlled 80% of the beef industry in this country. Those eight families had a combined wealth of €2 billion. They are the people who tried to starve farmers rather than pay them a decent rate and who tried to use 8,000 of their workers as pawns in the dispute by laying them off temporarily. There should be State intervention in the beef industry and in other industries hit by a no-deal Brexit, but there should be State intervention of a very different kind. The State should save jobs and protect against wage cuts, but the only way to do that effectively and clearly is to take those companies into public ownership. That is what should be done. We need to break with the logic of the capitalist market in dealing with the approaching crisis.

The approach of the Government on climate change, as explained in the budget, is also to make working people pay. Carbon taxes will be increased by 30%, but more important than the 30% increase was the statement by the Minister that it is the Government's intention and his ambition to increase the tax steadily to meet the 2030 targets. This is just the first of a series of carbon tax increases over ten years that will be placed on the shoulders of ordinary people. In fact, a quadrupling of carbon taxes is on the cards. The climate emergency must be addressed effectively. The carbon tax is a regressive tax. It will hit middle and lower income earners in society, namely, the poorer harder than the rest. Members need not take it from me; the ESRI has said so. There has been much commentary about how rural Ireland will be hit particularly hard by the carbon tax. I do not dispute that, but there is more to it than meets the eye. In my constituency of Cork North-Central, key workers such as nurses, teachers, firefighters and ambulance paramedics cannot afford to buy a house in the city because they have been priced out and locked out of the market. They have been forced to travel far into the county to find affordable accommodation. They are now commuters who have to drive into work, and they are going to be hammered by these carbon tax increases. These increases will also exacerbate fuel poverty according, again, to the ESRI. Regarding the €2 increase in the fuel allowance, there are shops near where I live where it would be just about possible to buy a firelog for that amount. That is a joke as a measure to mitigate fuel poverty.

Alternative policies to carbon tax increases could be introduced to address the climate emergency. Such measures would also be more effective. One such policy would be free public transport. A number of countries and 100 cities worldwide have introduced this measure as a climate emergency action policy. It works. In Cork, for some months, fares were reduced to €1 for a ride on the bus. That was during the controversy regarding a car-free Patrick Street. Public transport usage increased by more than 8% during that time. If that is what can be achieved by reducing public transport costs to a €1 fare, what could be achieved if it was made free for an extended period? That would cost approximately €650 million. The State is facing fines three, four or five times greater than that if it does not reach its 2030 targets. Free public transport is an obvious policy that should be introduced. There was not, however, even a mention of it in the Government's budget today.

I do not have time to develop points on retrofitting. It was mentioned prominently in the climate action programme. Some 50,000 homes are meant to be retrofitted each year. Where are the funds to do that? Where is the investment in training people to do that retrofitting? The best way to tackle the climate emergency is not by trying to place additional taxes on the shoulders of consumers; it is to go straight to the point of production, straight to the industries producing the emissions in the first place. We should tax those industries, but we should also go further and take them into public ownership. That would make it possible to move in a controlled way, with the hand of society on the tiller, towards a carbon-free, alternative economy with investment, jobs and retraining switched to the green energy sector. We need massive investment in that area.

I mentioned the Budget Statement had two sentences on the issue of rents. There was no mention of anti-eviction legislation nor any serious mention of local authority house building.

While we are on that topic, what about the figures that have come out regarding the number of local authority houses built in the first two quarters of this year? It stands at 429, which is absolutely shocking. Some 8.5% of the housing stock in this country is now local authority housing. That compares with figures ranging from 20% to 32% in countries such as The Netherlands, Denmark and Austria. For seven successive months, the official homeless figures have remained above 10,000 people.

Deputy Finian McGrath: Where did the Deputy get those figures?

Deputy Mick Barry: Is the Minister of State disputing that as a fact?

Deputy Finian McGrath: Those figures are-----

Deputy Mick Barry: The figures are what?

Deputy Finian McGrath: Some 400 units have been built in my constituency alone, never mind elsewhere. Some of the figures quoted by the Deputy are off the wall.

Deputy Mick Barry: They are not off the wall.

Deputy Noel Rock: There has been the highest level of building in Dublin since 2006.

Deputy Mick Barry: Check the Rebuilding Ireland figures.

Deputy Finian McGrath: That is fake news.

Deputy Mick Barry: Here is another figure. Some 10,000 people are officially homeless in the State. That has remained the case for seven consecutive months under this Government.

Deputy Noel Rock: Some €2.6 billion has been spent on housing.

Deputy Paul Murphy: It is being spent on the landlords.

Deputy Mick Barry: There have been 10,000 people-----

Deputy Finian McGrath: Fake news.

An Ceann Comhairle: Deputy Barry without interruption.

Deputy Mick Barry: -----on the official housing lists for seven consecutive months. It is clear that for the Independent Alliance, Fine Gael and Fianna Fáil there is now an acceptable level of mass homelessness because no measures in this budget will put a serious dent in that figure. An additional €20 million has been allocated for homelessness services. That might be an admission on the part of the Government, given what it is planning and budgeting for, that homelessness will increase in the next year.

Deputy Finian McGrath: Some 11,000 new social houses have been built.

Deputy Mick Barry: One thing that will increase for certain are the payments to the private sector landlords. There has been an increase of €18 million in HAP and an extra 15,750 new tenancies. More money will be shovelled towards private landlords for the privatisation of social housing as opposed to building local authority housing.

Ireland also continues to have the highest childcare costs in Europe. Some 27% of the average income of a couple goes on childcare. That will also remain the case. It is more than double the EU average. Ireland spent 0.2% of GDP on childcare, compared to an OECD average four times greater and eight times greater in Sweden. The Government has allocated an additional €54 million to this sector, which will barely cover the demographic changes. That is if it manages to do that at all. The idea of a new national childcare scheme is the equivalent of putting sticking plasters on a failed system. We need nationalisation, a State-owned, publicly run childcare scheme free at the point of use, with decent pay and conditions for workers. Some 90% of those workers currently struggle on the wage they are allocated.

One in ten schools under this budget will get one new teacher, while one in four schools will get one new SNA. That is, again, barely enough to cover demographic increases, if at all. There will be no change in the pupil-teacher ratio, which is the highest in the eurozone. There is also no change to SUSI grants, no increase in State funding in general for the third level sector and no increase for publicly-funded and owned student accommodation. That is a failure in respect of the students and those who use the system.

The question of wealth in this society has become a topic of debate in the past week following an article by David McWilliams. Despite the danger of Brexit, the climate emergency and the housing emergency, it seems that it has not occurred to Fine Gael or Fianna Fáil to levy emergency taxes on wealth and the large corporations in this society. Corporation tax is 12.5%. If the full rate was levied on the corporations based in this country, then that would bring in an extra €2 billion. If the rate were to be doubled, that would bring in more money again. A 2% tax on the richest 5% of people in this country, the so-called “high-net worth” individuals, would bring in an extra €3.25 billion. What could be done with wealth such as that? I refer to addressing the housing crisis, the crisis in our emergency departments, the rest of our health service, etc. A financial transactions tax of a mere 0.1% would provide more than enough money to introduce free public transport.

These are measures, however, that this Government, supported by Fianna Fáil, has not even considered. That is because they are so wedded to the market economy of capitalism and the interests of the richest minority within this society. The Minister for Finance stated that “the centre is holding”. If the centre is holding, it is just about doing so. The capitalist market has failed to deliver regarding the issues of the climate emergency, housing and childcare. People are moving decisively against that system in this country because they are hoping against hope that things will turn a corner and turn out well. Such issues as Brexit and a world economic recession loom on the horizon. It is not a question of if that will strike but when it will strike. There is a major question about how long the centre will hold. Serious struggle is taking place for a fundamental change in society, with radical, left-wing, socialist alternatives coming on to the agenda. Those in the centre should not think that it will hold for much longer.

Deputy Noel Rock: No mentioning Brexit.

Deputy Finian McGrath: Could I correct some of the figures?

An Ceann Comhairle: The Minister of State will have an opportunity later.

Deputy Paul Murphy: I checked them and can confirm that they are right.

Deputy Finian McGrath: There are 11,000 new social homes due for 2020 and 12,000 units for-----

Deputy Paul Murphy: Some 429 local authority builds is the figure that Deputy Barry gave.

Deputy Mick Barry: Local authority builds.

Deputy Finian McGrath: I am just correcting the record.

Deputy Dessie Ellis: He is right about the figure of 10,000 homeless people, a number which is rising.

Deputy Noel Rock: It is falling.

Deputy Dessie Ellis: It is not falling.

Deputy Noel Rock: It fell this month.

Deputy Dessie Ellis: I have to correct something he is saying, because it is incorrect.

An Ceann Comhairle: We will be here until midnight. Will Deputies please let people get on with their contributions?

Deputy Richard Boyd Barrett: We needed a radical budget to deal with the threat of a no-deal Brexit, the disastrous housing and homelessness crisis, the crisis in our public health system, the climate emergency, the astronomical cost of childcare and the woefully inadequate disability and respite services, among a whole range of other areas. We did not get a radical budget or radical action on any of these crises, threats or emergencies that face us. We got a deeply conservative budget that will address none of these crises or emergencies. Working people, pensioners and young people who are dependent on social welfare got absolutely nothing. By getting nothing, they have in effect taken cuts. That is the reality. By imposing a freeze on the incomes of the poorest people and on working people, giving them nothing, the Government has in effect cut their incomes.

The Government may believe that is prudent in the face of the threat of a no-deal Brexit. In fact, it repeats the folly of the Government that reacted to the last major crisis, the crash of 2008, where austerity and keeping a clamp on or cutting the incomes of working people made a bad situation a hell of a lot worse. We are still paying for those mistakes with the housing crisis that we face, the mess in our public health system and shocking levels of poverty, with 720,000 people in the country living in poverty, including 230,000 children. Some 100,000 people who are working in the country are officially living in poverty. The Government has given no increases in social welfare or relief on the austerity USC that was imposed on workers all those years ago, which effectively cut their incomes. That is a big mistake and one does not have to be a radical socialist to think so. John Maynard Keynes made this point a long time ago. When one is facing a potential downturn or disruption in an economy, one should spend more, boost people's incomes and increase investment in infrastructure, key sectors of the economy and in services. The Government has done the opposite to that. The so-called prudence is conservatism in reality and will potentially make a bad situation worse.

It is important to underline the point about workers getting nothing. One only has to walk out to the canteen to talk to workers. They are already saying there and on the streets that workers got nothing out of this budget. That is against a background where the productivity of workers in this country has gone through the roof in recent years. Workers are working harder and longer, effectively for less and making a bigger tax contribution than they ever have before. The tax contribution of ordinary workers has gone from €13 billion in 2007 to €21 billion. Workers are working harder and longer for less and paying more tax and the Government wants to impose a carbon tax on top of that. It is more aggressive taxation to cut further the real incomes of working people and the least well off.

Let us not forget about our students, who got nothing from this. They asked for a break in student contribution fees or for an increase in maintenance grants, in effect driving more and more students into poverty, while they also face astronomical rents and the failure of the Government to build cheap, affordable student accommodation on third level campuses. The students asked for that and got none of it.

Meanwhile, all the big tax breaks continue for the big corporations. We have carbon taxes for the poor and struggling who are not to blame for the climate emergency but there is no mention of the big polluting corporations. Even the EU has proposed that there would be an aviation fuel tax. If it was imposed on the Ryanairs of this world, this country would raise hundreds of millions, but the Government never talks about taxing the massively profitable aviation industry and the other polluting corporations. The Government always wants to hit the working people, the poor and the little people, who are asked to pay the price for the crimes of the rich.

The issue with housing is unbelievable. Does the Government not understand that its policy is failing? It is eight years since Fine Gael came into government and this Government has been in place for more than three years. The housing situation gets worse. Rents are at astronomical levels. Average rents in Dublin are way in excess of what one pays for a mortgage and ordinary working people cannot afford a mortgage either because house prices are so high. I even heard Tom Parlon, hardly a firebrand on the left, on the television before I came in here, reminding us that one has to be paid €90,000 or €100,000 a year to have a prayer of buying a house at average prices in Dublin.

Deputy Finian McGrath: Tell him to build more.

Deputy Richard Boyd Barrett: Mortgages are cheaper than the rents being charged in Dublin. How wealthy does one have to be to pay the average rental price in Dublin of €2,000, or €2,200 in my area, or even €2,400 a month? Who can afford that? Of course there is a group of people making money out of it. What is the Government doing to tax them? It includes the vulture funds, the cuckoo funds and the big corporate landlords who as we speak are moving to evict people in my area and several places in the city. I have to go to the Residential Tenancies Board tomorrow with tenants from my area who are facing the fourth attempt in two years by a vulture fund to evict them. Threshold believes that the fund will finally succeed in getting all these people out. They will then arrive to Dún Laoghaire-Rathdown County Council, presenting as homeless. It is shocking. Loopholes the Government has left in the legislation allow the vulture funds to do this.

There is breaking news for journalists and so on about a €27 million cut in central Government funding for local government in the budget estimates book. That is a 13% cut. It is on page 53. When the local property tax was introduced by the Government, we opposed it and said it was regressive. One of the seven points of the local property tax was supposedly that there would be more money for local government. That has not happened. Local government resources have been reduced along with its ability to provide services and so on. Funding from central Government has been reduced by another 13% in this budget. That is in line with Fine Gael policy on housing and the whole thrust of this budget. It is about giving more money to private landlords in the form of the housing assistance payment, the local infrastructure housing activation fund and the rental accommodation scheme etc.

We are having quibbles about how much social housing is being delivered but the figures being quoted by the Minister of State, Deputy Finian McGrath, include those units built to satisfy Part V rules. They are built by the private sector before being sold to or, more often, leased to local authorities at an astronomical price, which again benefits cuckoo funds. At a development called Cualanor in my area, approximately five full apartment blocks have been sold *en bloc* - with hundreds of units in each block - to vulture funds in the past year or so. I made a point of saying this to a Minister at Leaders' Questions one day. Many of these apartments are now occupied with housing assistance payment, HAP, tenancies. These cuckoo funds are also benefiting from big section 110 tax breaks. If they invest in Irish property for a certain amount of time, they do not pay tax on the rental income or capital gains being made while the value of a property goes through the roof. In a triple whammy, the properties are leased from those companies by local authorities at an astronomical price.

Deputy Anne Rabbitte: That is right.

Deputy Richard Boyd Barrett: This is where all the extra money being crowed about by the Minister of State is going. The number of real council houses being built is abysmal and everything else is money going out the door into the pockets of NAMA developers that have been rehabilitated, vulture and cuckoo funds and big corporate landlords. They are making a killing.

This budget has nothing about rents. What has been done to control the out-of-control rents? Nothing. The Government refuses to do it. It has refused to impose rent controls, which are a standard practice all across Europe, with local authorities or rental sector regulators setting rents at affordable levels. It means landlords cannot charge more than a certain level for a property. That is how rents can be controlled instead of rent pressure zones that landlords can find their way around in any event. They have completely failed to address the rental crisis.

There are many victims of the Government's failed policies but we should single out young people in particular as a group that has been failed at so many levels with this budget. They have been failed on climate change, as the planet is burning and the Government is doing nothing about it. The cost of accommodation is absolutely out of control and completely unaffordable. The cost of educating oneself is beyond reach for many young people. They are being shafted and nothing is being done for them with this budget.

What are the positive actions that could have been taken with matters like climate change to protect the future of our young people? Instead of implementing a regressive and unfair carbon tax, the Government could and should have introduced free public transport. It should have brought the level of public subsidy for public transport in this country at least to the average level of the European Union, as we are well below it. Luxembourg has already introduced free public transport and, again, it is hardly a bastion of radical socialism. It is available in Estonia and certain cities in Europe. In almost every part of Europe, public transport fares are far below what they are here. We are an outlier, along with the United Kingdom. Somebody told me recently that a person could go anywhere in a particular eastern European country for approximately 50 cent. I cannot remember the country but it was somewhere like Czechoslovakia. It was dirt cheap compared with here.

Deputy Noel Rock: I doubt it was Czechoslovakia.

Deputy Richard Boyd Barrett: It may not have been. I may have the country wrong. It was Russia, and it is not a bastion of anything good but at least it can provide cheap public transport.

Instead of punishing people with carbon taxes, we should reduce people's fuel bills with a major national insulation installation programme. The current system is grossly unfair for people living in public housing as they cannot retrofit their own home and they must wait for the council to do it. The council is doing approximately 2% of the housing stock per year in my area and I suspect that rate is similar everywhere else. People in public housing have no control whatever over the building energy rating of their home or the capacity to microgenerate electricity. It is completely regressive and unjust to impose carbon tax increases on people like that.

The Government could have invested in developing renewable energy and in universities so they could develop new forms of renewable energy. Our universities are chronically underfunded and most of the research and development resourcing from the Government goes to the big multinational corporations through the research and development tax credit. It runs at approximately €700 million per year and it will mostly benefit the likes of Google, Facebook and Apple. That is public money just as much as anything declared today. That €700 million in tax relief, which is mostly used by those types of companies, will not boost the domestic economy or our universities. It will not help to develop renewable energy resources. It goes to Apple when it devises the iPhone 11 upgrade and then an iPhone 12 after that. Is that what we need or do we want money to be put into developing renewable energy or afforestation, which we discussed last week? We are consistently failing to meet our afforestation targets when we know there is a benefit to all these things. For every tree planted, we would pay less in fines to the European Union but we consistently fail to hit our targets in afforestation and in developing a sustainable forestry industry.

Disability services should be close to the Minister of State's heart. Various disability groups asked for a package of €211 million extra per year over the next five years for community disability services in particular. In the budget, €25 million has been provided for those services, which is a tenth of what was requested by the disability community. That is pathetic, especially against a background of us ratifying the United Nations Convention on the Rights of Persons with Disabilities, UNCRPD. Where is the extra investment for universal accessibility? Where is the funding for special needs assessments for people with special needs? It was not mentioned, as far as I can see, in the health section of the budget. The Government is in breach of the law when people are waiting two or three years for assessment of children with special needs. The law stipulates that such assessments should be done within six months. The Government has failed to support people with disability in this country. There is a pathetic amount allocated for housing adaptation grants and there has been no increase in the disability allowance or carer's allowance. That is absolutely shocking and, again, it is effectively a cut for people with a disability.

There is an extra €29 million in funding for Tusla, which sounds good for the children and youth affairs sector. However, I have raised the plight of a service in my area, the Cottage Home family support service, which provides vital and needed interventions for families and children at risk. It closed this week because it could not get €200,000. I have raised this case repeatedly with the Minister and the service begged for the money. It will cost the State much more money if those kids and their families do not get that support. They will turn up somewhere else in the system with much greater needs for the lack of €200,000. Even at this point, on behalf of that service, I ask for this funding. It needs €400,000 to keep the service running and it will raise

€200,000 itself. Will the Government give €200,000 to the Cottage Home service in order to keep that vital service going? We always speak of early intervention, etc. with children but does it mean anything at all? All the referrals to that service come from Tusla. As it is, in effect, a branch of Tusla, I ask the Government to give it the €200,000 it needs to keep going.

What about childcare services? The national childcare scheme was announced in 2016. The Government has announced it every year for four years and it is still not open. That is typical of what the Government does; there are great headlines and statements along the lines of "we are doing this, that and the other". In many cases people are now paying childcare costs equivalent to almost two mortgages, yet the scheme the Government announced four years ago is still not open and when it does open, what people will get will be pretty derisory and certainly not compensate for the dramatic increase in childcare costs that have ensued in the period since the initial announcement of the scheme.

It is asked whether it is possible to do all of these things for which the left, the socialists, are asking and whether the money is available. The answer is "Yes" because, against all the threats and difficulties, the reality is that Ireland is richer than it has ever been. National household wealth has increased by €300 million in the past five years. The problem is that all of that wealth is concentrated in the hands of the richest 10% in our society who are getting wealthier and wealthier but pay derisory levels of tax and the big corporations which benefit from a myriad of tax loopholes. The committee on which I sit has been studying these tax loopholes and estimates that there is €10 billion to €15 billion worth of what are called tax expenditures but which are, in fact, tax loopholes to give money back to corporations which then make a lot of profit. If we were to introduce a minimum effective corporate tax rate, we could receive €4 billion, €5 billion or €6 billion extra a year in revenues which we could use for housing, Brexit protection measures, the public health service, children and youth affairs and to meet all other dire needs. We could use it to give workers a little increase in their incomes and a break on USC. We could introduce a financial transactions tax on the billions of euro worth of trading in derivatives and shares through the IFSC every year. However, the parties to such transactions will not accept even a 0.1% tax on that trading, which is what the European Union proposes. We could introduce many other measures in a very wealthy country to redistribute some of the wealth towards the less well-off, working people, the provision of affordable housing, a decent public health service and the just transition to the climate action we need to prevent a climate disaster.

Deputy Paul Murphy: We had a tale of two budgets presented by the Minister for Finance. It is the worst of times for working-class people: with eco-austerity in the form of a regressive carbon tax, no increase in social welfare rates, no increase in pensions, what looks like a postponement of a rise in a completely inadequate minimum wage, almost nothing in terms of real investment in public housing and literally nothing for renters. It is the best of times for the developers and the rich: with a budget marked by giveaways and tax breaks; the continuation of the help-to-buy scheme, better known as the help-to-profit scheme, for developers; the extension of the special assignee relief programme, SARP, and the foreign earnings deduction, FED, benefiting only the very top tier of income earners; and a preparation for a lot more tax and other giveaways to big business in the coming months. Whether under the guise of an economic crisis, an environmental catastrophe or the threats posed by a hard Brexit, the centre of policy remains fundamentally the same. The Government continues to act, in the memorable words of James Connolly, as a committee "of the rich to manage the affairs of the capitalist class". This means that it is always ordinary working-class people who pay the price for whatever crisis looms, while big business, the bankers, the developers and the rich are always protected or, if they cannot be, bailed out by working-class people.

Let us take the case of Diana, a young mother on the minimum wage who rents a flat with an oil heating system. She will receive no increase in her income. Instead, she will be hit by the carbon tax. She cannot qualify for retrofitting because she rents. In fact, if her landlord retrofits her flat, he may then try to renovict her. She will be hit by the nitrogen oxide tax when she buys a cheap old car, the only type she can afford. When her rent goes up, she will receive no assistance to deal with it because in the entire budget the Government allocated €2 million for renters in the form of funding for the RTB which is completely incapable of managing and policing the completely inadequate rent pressure zones. Given the reality of the housing market, if Diana's landlord tries to increase her rent by over 4%, she may feel she will have no choice but to accept the increase because of the reality of the shortage of available and affordable housing, given the crisis in the housing market, which will be deepened by the budget. She will still have a struggle in getting her child with special needs the education he needs. She struggles with mental health problems, faces massive waiting lists because the Government continues to under-invest in and to refuse to build the national health service that is necessary. It is the worst of times for Diana with this budget.

Let us compare Diana's case with the case of Dave the developer and landlord. The continuation of the help-to-buy scheme means that house prices will remain high and that he will continue to maximise his profits. The giveaway of yet more money through the HAP scheme and the RAS means that, as a landlord, he will receive another transfer, another chunk of wealth, from the public pocket. He can afford to buy an electric car and, therefore, avoid the nitrogen oxide tax and lower his carbon tax bill. He can also avail of the grant to retrofit his house. It is the best of times for him.

It is a joke that the Government tries to pretend that it is a champion of action on climate change. Enterprise and agriculture together are responsible for almost 50% of carbon emissions. These emissions have increased by almost 40% since 2011 and the targets for reductions in the climate action plan are extremely modest. Just last week, under pressure from protestors outside these Houses and Deputy Bríd Smith's Bill, the Taoiseach announced that he would stop future oil exploration. None of us was fooled, however, because it was clear that the Government would go ahead with gas exploration, even though study after study shows that gas is not a bridge fuel and should not be invested in as an alternative to oil and coal. The Government which now states climate action is at the centre of its budget wants to invest in one of the biggest liquefied natural gas, LNG, terminals in Europe in Shannon. It is investing in fossil fuel infrastructure that will be with us for decades and not just any fossil fuel but one of the dirtiest in the form of fracked gas. It is so dirty it is banned here, but the Government is happy for us to import it from the United States. It has no credibility on the issue of climate change, but it is pretending to be doing something by introducing a carbon tax which everybody accepts will be a regressive tax that will hit working-class people and those on lower and middle incomes much harder than the wealthy. In particular, it will hit the 28% of households who experience energy poverty and make precious little difference to carbon emissions. Carbon taxes simply do not work because people do not have choices. If people who live on the outskirts of Dublin are not provided with an alternative to driving into Dublin city each day, there is nothing else they can do. One can increase the cost of driving from County Meath to Dublin each day, but unless a viable public transport alternative is provided, they have no choice but to continue to travel by car. One study of 19 jurisdictions with carbon taxes found that it would take 110 years to reach an 80% emissions reduction target on the basis of a carbon tax. However, we do not have 110 years; we have about ten to turn things around radically. Instead, the carbon tax will be an excuse not to take the action that matters. It is no surprise that fossil fuel companies have increasingly become promoters of and lobbyists for carbon taxes because they pass on the cost to working-class people and it means that they can try to continue to avoid taking the action that is necessary, which is their being put out of business by deciding to leave fossil fuels in the ground.

This regressive carbon tax sits side by side with tax measures which have been explicitly designed only for the rich. Let us take the example of SARP. It is a tax relief from which one can only benefit if one is on a minimum basic income of at least €75,000 per year and assigned from abroad to work in Ireland. In other words, it is for highly paid executives brought into Ireland. Those who qualify for it can benefit from tax relief equivalent to 30% of their gross income.

That is a huge relief for the very highest paid people in society. Someone on €1 million per year would get a tax break of over €100,000. Not only that, these people get tax-free travel and tax-free education expenses for their children. The cost of this was almost €20 million in 2016. There are no more recent figures but it is likely that has increased significantly since then and will be higher again next year. That money does not come from nowhere. It is paid for by working-class people who are struggling to get by and the Government has decided to extend it, as it has done with FED.

6 o'clock

As for housing, one would not know from the Minister's speech that we continue in an unprecedented and deep housing crisis. As Deputy Barry pointed out, more than 10,000 people have been officially homeless, and many more than that have been unofficially homeless, for more than seven months. Included in that figure are almost 4,000 children, who are growing up with the insecurity, disruption and fear of that situation and all of the impacts on their mental and physical health and development. The Government maintains it is purely pragmatic when it comes to housing and that it just wants to resolve the crisis whatever way it can. That is simply not true. The evidence of that is in this budget again. The Government's policy is deeply ideological. It is a neoliberal ideology that serves the interests of the developers and landlords it represents. Nowhere is that more obvious than in the fact that it is literally the developers who are writing the Government's housing policy. Just a couple of weeks ago, it emerged that the developers had written the strategic housing development laws. According to *The Sunday Business Post,* industry representatives said that the then Minister for Housing, Planning, Community and Local Government, Deputy Coveney, took their recommendations "lock, stock and barrel and stuck it into the new housing bill". In recent days, the Minister for Housing, Planning and Local Government, Deputy Eoghan Murphy, wrote threateningly to Dublin City Council councillors to demand they vote for the privatisation of public land at O'Devaney Gardens instead of using it for public housing. Now the Construction Industry Federation, CIF, has written the budget on the extension of the help to buy scheme. This scheme was originally introduced at the request of the CIF back in budget 2017. Now it is extended, again at its request. The CIF is not concerned about first-time buyers getting access to homes. It is concerned about those it represents, namely, the construction industry and it is concerned about the maximisation of profits for it. This is a help to profit scheme to artificially prop up property prices, which takes €100 million per year, passes it through the hands of first-time buyers and then puts it into the pockets of developers, instead of using that money to build 500 public homes as part of an extensive public housing programme to build 100,000 public and genuinely affordable homes.

That would be a real action to help renters, as would the banning of evictions and the introduction of proper rent controls, backdated to 2011, so people can afford to rent. Instead, this budget provides only €60 million extra to build public homes, while more than €100 million is again transferred to landlords in the form of HAP and RAS payments. That is another transfer into the hands of private landlords from the public purse, which allows the Government to pretend to be tackling the housing crisis. As I mentioned, renters are facing some of the hardest conditions and in the entire budget, some €2 million has been allocated to them by way of the Residential Tenancies Board, RTB. There is practically nothing for them in this budget. They are being consigned to their fate within the market, which does not function for them.

What is the alternative? There was and is an alternative to all of the policies presented today by the Government, which Fianna Fáil says it has no alternative but to accept. It is not an alternative that was ever going to be taken by a right-wing Government and the developers', landlords' and big-business Government we have before us. It is an alternative a left-wing Government and a workers' Government would take. That alternative is to accept there are many crises facing the economy and society, from impending climate catastrophe and the impact of a no-deal Brexit to a coming new, global, capitalist economic crisis. Preparing for those crises and avoiding them means it cannot be big-business as usual, which we have here. Preparing properly means a radical break with the economically unsustainable model of Ireland as a tax haven for big corporations and breaking with the ecologically unsustainable model of agriculture that we have at present. Preparing for Brexit means a radical transformation from the current approach, yet the Government continues with big-business policies as usual. It means now is the time for a radical socialist transformation of our society.

To start with, a green new deal with socialist policies addressing environmental and social injustice by taking on the power of the fossil fuel industry and agribusiness is needed. A ten-year mobilisation of public investment to completely transform the nature of our economy, to ensure we are completely renewable-based in our energy use by 2030 is needed and we need to have a net zero-carbon economy by 2030. We must introduce free, green and frequent public transport, which would have a real impact on carbon emissions and would transform people's lives by offering them for the first time access to transport as a right, regardless of whether they live in a city or in a rural area. This would reverse the process of privatisation of transport and would ensure decent wages and conditions for all workers in the sector. This could be delivered at a cost of about €1.5 billion annually. We must introduce a green jobs programme with massive investment in renewable energy, providing jobs and retraining if necessary for those workers currently in Bord na Móna, and other workers whose jobs will be impacted by transitioning away from fossil fuels, to ensure no worker loses out in terms of jobs or income as a result of these policies. We must invest in a retrofitting programme for every single home in this State, and in a massive expansion of care jobs. We must make proper investment in our health service and build a national health service. We must begin a low-carbon public home building programme to resolve the housing crisis through the building of 100,000 homes in a three-year period. We need investment in education to resolve the crises that face people, particularly for children with special needs, and through the development of a national childcare service, free at the point of use. The cost on an annual basis of starting such a transformative programme would be €7 billion per year. We must shift to a sustainable model of agriculture. That means breaking and ending the control of big agribusiness and taking it into democratic public ownership, while ensuring no loss of income for small farmers by changing the nature of the grant system that has operated until now. It means a rapid transition from beef and dairy farming to sustainable agriculture, including a massive expansion of forestry and full support for small and medium farmers. The annual cost of this would be €1 billion. We must transition to a four-day week without loss of pay for workers. This would reduce carbon emissions by up to 16%, as well as transforming the quality of people's lives, as they would have a three-day weekend. This would have a cost of about €4 billion to the public sector.

The total cost of this, on an annual basis, would be €13.5 billion. That can be raised. The money is there and the resources exist within our society. It can be done by taking on the big polluters, instead of working-class people. It can be done by taking on the 100 corporations that are responsible for 71% of the carbon emissions on a global basis. Doubling corporation tax for big companies from 12.5% to 25% would raise €8 billion. Introducing a millionaires' tax of 2% on net wealth exceeding €1 million would raise €3.5 billion. Increasing employers' PRSI would raise €2 billion and increasing income tax for those earning over €100,000 per year would raise €2 million. The resources are there to transform our economy and to transform people's lives.

A green new deal and a rapid and just transition mean more than just a programme of eco-stimulus or eco-investment instead of eco-austerity. It means ending the private ownership of the key sections of the economy and bringing them into democratic public ownership in order that the economy can be planned for sustainable improvements in people's lives and for transition to a zero-carbon economy. For such a programme, we need a left-wing Government serving the interests of working-class people, renters, unemployed people and pensioners etc., rather than serving the interests of developers, landlords and big business. We need a Government that is willing to stand up to the capitalist big-business interests that block the change we need on every single front.

Faced with a right-wing Government, and a right-wing supposed Opposition party in the form of Fianna Fáil, which agrees with the direction of this budget and allows this budget to pass, that can understandably seem like a distant prospect to people. However, we should all remember this remains a weak Government. It is a Government which has been repeatedly forced to do things it did not want to do because of movements outside of this Dáil, from the scrapping of the water charges to the repeal of the eighth amendment.

Such a movement is developing again right now. Extinction Rebellion protestors are blocking the gates of Leinster House and there is an Extinction Rebellion camp with significant numbers of people in it in Merrion Square at this very moment. There will be protest actions throughout this week at which people will demand that the Government tells the truth, takes the necessary action and implements a just transition. If people continue to mobilise, and particularly if the power of the working class is brought into play by building towards a day of global climate strikes, such a movement can do more than win concessions. It also demonstrates the power of people and allows us to envision how society could be very fundamentally changed.

The Minister for Finance repeated the words he has uttered on numerous occasions about the centre of Irish politics holding. In reality, the centre that the Minister and the establishment correspond to is a very extreme neoliberal centre. What kind of centre stands over a budget that hands so much money over to landlords and developers and does nothing for renters? It is an extremely neoliberal and economically right-wing centre. The repetition of the idea of the centre holding is the Government whistling to comfort itself when it sees all of these crises facing its system in the period ahead. It is an attempt to kick the can down the road. The capitalist road only goes so far. It very clearly ends in a cliff of misery and climate chaos. People will ultimately refuse to go down that road with the Government and they will not allow it to drag society down with it.

Capitalism in Europe and in Ireland has not overcome the contradictions that exploded in the crisis of 2007 and 2008. Those crises will re-emerge with dramatic vengeance in the coming months or years. The capitalist system is identified more and more by millions of protesters worldwide as the cause of the climate catastrophe. That will be combined with a new economic crisis. It is very clear that the only answer offered by all the parties who stand for the rule of profit will be for working class people to pay again. It will be another round of austerity. However, this will come at a time the economic and political reserves of capitalism have been exhausted. They have been expended on dealing with the previous crisis and have not been replenished, as indicated by the relative decline of establishment parties across the world. This will create new waves of struggle, new radicalisation and new possibilities of building a mass left-wing party in this country, one that can put a truly left-wing Government with socialist policies, a Government serving the interests of the majority instead of the tiny rich majority, on the agenda.

An Ceann Comhairle: Is Deputy Pringle sharing with colleagues?

Deputy Thomas Pringle: I will share time with Deputy Thomas P. Broughan. We will hopefully fill the time.

This budget shows that Brexit has been a godsend for the Government. There is no doubt that Brexit will cause difficulties for us, but it is how we go about dealing with that crisis that is important. It will show the measure of the State and the condition of our economy and politics when we see who is made responsible for it and who will carry the can.

I agree with previous speakers that the Government and the Fianna Fáil colleagues who keep it in power have made sure that the business classes will be protected during Brexit and that we, the ordinary citizens of this country who are struggling and also need to be protected from this threat, will be left behind. If we looked after our ordinary citizens and provided them with the resources to deal with the Brexit crisis by providing childcare and a proper health service that works, we could build the resilience of our whole society to survive the threat that Brexit contains.

The fact that Brexit dominates this year's budget despite the first surplus since the recession reveals the true vulnerability of Ireland's economic recovery and our economy in general. I was struck by the Minister's statement that we are responding to Brexit "with the resources of a well-run economy and the purpose and certainty of good government and responsible politics". How can the Government say this is a well-run economy when more than 10,000 homeless people are in emergency accommodation, our health system is in a state of collapse and child poverty remains consistently high? How can it make that claim when it has mismanaged large infrastructure projects such as the national broadband plan or the new children's hospital? That does not spell good governance or a well-run economy; it spells financial mismanagement. How can we respond to Brexit with that kind of economy?

Ireland has been placed in a vulnerable situation by Governments past and present. Fine Gael has opened up our society more than any previous Government. I refer to the significant influx of vulture capital, the financialisation of housing, speculative industries, outsourcing of social welfare services through programmes such as JobPath, the seductive corporation tax - of which the Apple affair is a case in point - and an encroaching private sector that has often compromised our health system.

In light of this vulnerability, we need examine how we can make structural improvements and better protect people's incomes, particularly in the case of a no-deal Brexit in which thousands of workers will be at risk of losing their jobs or income. There is no better time than now to support proposals such as a living wage. A living wage would build people's resilience against the difficulties that Brexit might contain for them. Establishing a living wage for the public sector would only amount to €55 million. That would send an important message to the rest of the economy that this is how the Government sees us surviving Brexit. In its response, the Government will call this fanciful thinking. Its members will say there is no way we can do this, that it is a load of rubbish. How would we ever pay for it? The answer is interesting.

Increasing the tax on in-shop and online betting would generate €150 million. Yet what has the Government done? It has given bookies an exemption on their first €50,000 in takings. It could remove certain tax reliefs, including standard rate discretionary non-pension-related tax reliefs above the annual cost of €10 million. That would generate €480 million, a tidy sum. If the Government standardised the rates of tax breaks on all private pension contributions, that would generate another €483 million. Social Justice Ireland has calculated that if a minimum corporation tax rate of 6% was collected, less than half of the rate of corporation tax in this country according to statute, an additional €1 billion would be raised. The Government could raise €1 billion just by ensuring that corporations paid 6% tax, even though it says our headline tax rate is 12.5%. That is astronomical. That is what the Government could do. It is not the case that it cannot do this; it has chosen not to. There are many more examples of revenue generating schemes that would not affect low-income households but would do much to target the wealth inequality in society.

Brexit is, of course, the big issue on our horizon. The Government has done its best to protect business from Brexit. That is necessary, but I believe it could do this in a different way. It could protect workers and ensure they have the resilience to withstand anything that happens. It could do that very simply, but that is beyond the thinking of the Fine Gael-Fianna Fáil Government we have in this country. It will not be able to do that.

This budget should buffer people of low incomes against a shock such as the UK leaving the EU. Instead, Fine Gael, the Independent Alliance and Fianna Fáil have put all their eggs into one Brexit basket. Some money must be set aside for Brexit contingencies, but part of this must protect people. In any case, Brexit is being used as an excuse rather than an economic fact. It is a convenient way for the Government to turn a blind eye to those struggling on low incomes and focus overwhelmingly on businesses and the private sector. That is one startling aspect of the budget. We must be aware of Brexit, but the Government could have introduced measures to help our citizens and make them more resilient. It continuously chooses not to do this. It is possible that Brexit will not have happened by the time the next budget comes around. That would also then be a Brexit budget but the Government would probably decide not to protect people then either, but would look after its business friends.

The fiscal rules under which the Government works are used as an excuse for everything when it comes to budgetary matters. Those fiscal rules are flawed and poorly designed. This was highlighted in papers over the weekend by the most senior civil servant, Mr. Watt, with regard to how they should not be used and that they were meant for a specific time but that the Government continues to use them. The rules are too complex and easily gamed. There is very little transparency for those who are drastically affected by the rules. This provides the Government with an excuse not to address the housing or health crises. Figures released by the Comptroller and Auditor General showing that the net cost of the bank bailout is a staggering

€34.6 billion give us an idea as to how pointless the rules are and how the Government has allowed the State to be held to ransom by the banks and by our European masters, who forced the banking bailout on us and created that problem for us.

There is so much the Government could have done in the budget, even in these difficult times. Some of the social welfare measures in the budget are piecemeal but they are there. The Government could have worked to make things easier for families on low incomes. We hear about Brexit relations, reliability and resilience. What about County Donegal, where the highest proportion of the population depends on social welfare and social transfers? How is the Government making them Brexit-resilient when it is not even looking at how Brexit will affect social welfare? That is a real problem. Benchmarking the minimum rates of social welfare payments to movements in average earnings should mean an increase of €9 per week. That would have done a lot to help people to deal with the cost of Brexit.

The health service is in crisis. Last week, the Taoiseach was crowing about how we now have a surplus of 0.5% in the budget. This surplus of 0.5% is driven by the fact the Government is not investing in health. Last week, I outlined in the Dáil Chamber how more than 100 posts in Donegal, which have been interviewed for and offered, are awaiting sanction from Dublin to go ahead. My colleague, Deputy Connolly, raised similar cases in Galway and there are other cases throughout the country. This is why we have a 0.5% surplus. It is because the Government is refusing to do anything. I would much rather see us working with a 1% deficit and providing those jobs to deal with the needs of citizens throughout the country.

Unfortunately, the Minister of State with responsibility for disabilities has just left the Chamber. What is remarkable about the budget is that there is nothing in it for disability. The most vulnerable people in our society have been completely ignored by the budget. I was hoping we would see the Government reinstating the rehabilitative allowance that went during the year but it remains gone. It is a shame on the Government, the Independent Alliance and Fianna Fáil that the budget does nothing to protect those most impacted by everything that happens. They will be the most impacted by Brexit, climate change and everything else that will happen but they have been completely ignored in the budget and this is a disgrace.

There is nothing in the budget with regard to mental health and this is disgraceful. Last year, €25 million of what was allocated was withheld from the HSE because the Government does not like the way it is doing it. This is a problem.

There are a small number of increases for education but there is still a huge deficit. If all of these issues were dealt with it would make people more capable of dealing with the effects and meeting the challenges of climate change and Brexit but the Government is not interested in that.

These are the headline issues. With regard to climate change, the Government has proposed a €6 increase to the existing €20 carbon tax. The Oireachtas Joint Committee on Climate Action advocated through a majority vote an increase of up to €80 per tonne by 2030 subject to a number of important provisions. As a member of the committee I did not support the increase in carbon tax because I did not trust the Government to adhere to it and I have been proved right. I was not surprised to hear at lunchtime that while carbon tax revenues will be ring-fenced, they will not be redirected in their entirety to households suffering from fuel poverty, which is what the committee agreed. I am alarmed to see that despite all of the good work carried out by the climate action committee, carbon tax revenues have become a goody jar that influential Independent Deputies with access to the Cabinet can dip into to curry favour with their electorates. We must get past this populist clientelism in politics. The Government needs to be forward thinking. We need schemes to target rural poverty and disadvantage throughout the country and not just in the midlands. Will the Minister ensure that future spending of carbon tax revenues will be carried out according to a strategic non-partisan and long-term vision to reduce emissions and help alleviate fuel poverty?

The committee's final report last March recommended a fuel poverty review in advance of any carbon tax increase along with measures to compensate those households that will be directly affected by an increase in carbon tax. As a member of the committee, I advocated measures that would deliver home retrofitting programmes for social housing and new rural transport services directly to those households that would be affected, in particular those households with exceptional energy needs that do not have ready access to alternatives. The Government did not do any of this. It did not publish the review in advance of the budget because it wanted to claim the budget.

At a recent meeting of the climate action committee, we heard from representatives of the Society of St. Vincent de Paul who expressed concern that fuel poverty is still a major barrier to quality of life and health outcomes among vulnerable and socially marginalised households. The organisation's work throughout the country shows that energy poverty remains a major issue affecting large volumes of households. According to a survey of income and living conditions in 2017, almost 400,000 people went without heating due to cost. Last year, the Society of St. Vincent de Paul spent more than €4 million on fuel and utilities for energy-poor households and approximately 70% of this expenditure was on solid fuel and oil. The combination of increased energy prices, poor quality housing and the persistence of low income has a significant impact on these households. Low-income households in rural areas, those living in social housing and the private rental sector and one-parent families are particularly exposed to the risk of energy poverty. I share these concerns, bearing in mind that households must approach the Society of St. Vincent de Paul directly for help, usually when people are in financial distress, and there is often a great deal of personal shame and hardship in approaching charities for help. Without these charitable supports, children in many households would go hungry and cold.

It is obvious to everyone that the solution is to improve the quality of housing and public transport for people on low incomes. The Government's approach turns the fuel allowance into a fossil fuel subsidy. If the carbon tax keeps increasing, raising the fuel allowance will do very little, if anything, to reduce emissions or compensate poor households. We know from details supplied by the Department with responsibility for climate action that only 34,000 households are being retrofitted annually. Most of these are shallow retrofits that will not be compliant with the zero carbon by 2050 target. To meet our target, 75,000 deep retrofits will need to be carried out annually by 2030 but it is not obvious that the skills and labour, never mind the low-cost finance, are available to meet this target. It is disappointing that the Minister's budget speech did not mention low-cost finance, which will be a critical lever to get homeowners to invest in home retrofitting.

For the social housing sector the situation is even more urgent. The Government has been advised by the Climate Change Advisory Council to spearhead a major industry upskilling effort by rolling out a phased social housing retrofitting programme. According to the reply to a recent parliamentary question, Government expenditure on improving the conditions in public housing was a paltry €134 million between 2013 and 2019. At approximately €2,000 per house this is clearly too low to make a substantial difference in comfort levels or to reduce fuel and heating demands. By contrast, it is estimated the Government will need to spend approximately €2 billion by 2030 to undertake deep retrofits for all local authority housing. What the Minister has proposed in the budget is utterly inadequate for the challenge that faces us. The advantage in undertaking such an ambitious programme would be in the number of jobs it would create and the investment that would flow into poorer communities throughout the country. In its presentation to the Committee on Climate Action the Society of St. Vincent de Paul recommended that the Government invest in community energy advisers to work in partnership with the Sustainable Energy Authority of Ireland to engage and inform hard to reach energy users who would benefit most from energy efficiency schemes across all housing tenures. It also recommended that the Government ensure sufficient funding was available to allow local authorities to complete the energy retrofitting of social housing stock, with the objective of upgrading all existing stock in the next four years in order that all local authority housing would achieve a BER rating of B2 or more by 2030.

The Minister has announced the provision of €20 million for social housing retrofitting in the midlands as part of a planned just transition framework to be led by a new commissioner in co-operation with the National Economic and Social Council. The Government is going to set up a new quango, appoint a new commissioner and provide €20 million. It should provide €200 million to make a real stab at dealing with this issue. As the money would come back to the economy and benefit it, it would not have that cost. It would be possible to train people to work in this area and travel around the country generating jobs for themselves. The provision of €20 million is a welcome initiative, but it has taken the imminent loss of hundreds of jobs in the midlands to get a meaningful response from the Government. Trade unions and environmental groups have been warning about the need for an exit strategy from the use of peat and coal for over a decade. The writing has been on the wall for fossil fuels for years, especially since the adoption of the Paris agreement. Considering recent developments at Bord na Móna, the Government needs to learn to plan for a just transition. Instead of just reacting to events, it is important that the just transition fund be considered to be a pilot for future programmes which should be extended to other sectors and regions, for example, in agriculture and even fisheries in certain parts of the country but most especially Moneypoint which is due to close by 2025, if not before. The new task force should be required to report back to the Committee on Climate Action in order that the activities of the commissioner would be subject to oversight and scrutiny in a transparent manner, but that is not Fine Gael's way.

The greatest lack of ambition in the budget is in the area of transport. There is resistance in rural areas to carbon taxes because people are reliant on cars to get everywhere. As most people in County Donegal do not have access to public transport, making it free would make no difference to us. Private services are thin on the ground and when they run into financial difficulties, they just close with no safety net for passengers. We have seen this recently with the bus service from Inishowen to Letterkenny. There is a much higher rate of poverty and low incomes in the north west and it is unreasonable to expect people to switch *en masse* to electric vehicles which remain unaffordable, even with grants. We need public transport - buses, trains, shared mobility services and greenways - that meets the needs of commuters such that they will be prepared to leave their cars at home. The pathetic €9 million allocated for sustainable transport services is a gimmick and will do nothing to get people out of their cars. Greenways will be super for tourists, but they will not work for schoolchildren or commuters. The Government must do better. Emissions from transport are growing and account for 20% of total national greenhouse gas emissions. Diesel and petrol fumes are also responsible for poor air quality. while car dependency, in turn, is responsible for sedentary lifestyles.

The problem is that the traditional policy paradigm is reactive, tactical, piecemeal and end of pipe. The Government hopes carbon charges will incentivise people to change their ways by buying electric vehicles and turning down their heating systems. However, it is not dealing with problems of chronic pollution, environmental degradation and resource depletion. If it was, we would be seeing much firmer action to reduce the availability of fossil fuels, coupled with targeted investment across every sector of the economy aligned with a zero-carbon pathway. The scale of the climate crisis means that we need solutions on a commensurate scale. The €5 million allocated for agri-environmental measures, the €5 million allocated for peatland restoration and the €9 million allocated for sustainable mobility services are welcome, but they ignore the hundreds of millions of euro spent in aggressive marketing and on fossil fuel subsidies that are commonplace in this society. We are seeing the tweaking of existing policies instead of efforts to address the root causes. In addition, there is a severe implementation deficit between policy intent and outcome. Since 2011 we have been waiting for safe routes to schools to be implemented, with the smarter travel programme. The budget is where we expect to see policy implementation, but yet again Fine Gael has failed to grasp the opportunity to invest in lasting change towards sustainable economic development. That is true across the board.

Deputy Thomas P. Broughan: I am delighted to have a chance to say a few words about budget 2020. It was laughable listening to Deputy Michael McGrath and Fianna Fáil spokespersons criticising Fine Gael and the Minister for Finance, Deputy Donohoe, given that once again Fianna Fáil's fingerprints are all over the Budget Statement the Minister read this afternoon. Last year I asked the Taoiseach about the measures he was taking to reduce the high levels of tax expenditure and introduce a sense of accountability for them. Of course, between them, Fine Gael and Fianna Fáil have now delivered about a dozen budgets since early 2009. Tracing it back to the crash, in the two budgets that followed, Fine Gael Members trooped in after Fianna Fáil Members. When we got to 2011 and Fine Gael entered into government, Fianna Fáil Members voted resolutely with Fine Gael Members. Since 2016 we have had this bizarre Fine Gael-Fianna Fáil Government. The vast majority were savage austerity budgets. Today, on balance, the two parties have returned to the austerity path, following a few brief years of restoration and easing financial pressures on ordinary citizens. I have noticed that a distinguished journalist, Fionnán Sheahan, is quoted as saying Brexit was used as "a cloak covering the void of vision and Donohoe's 'Bertienomics'". It is another chapter of "Bertienomics" since 2008.

Today the incomes of our most vulnerable citizens in receipt of social welfare assistance and benefit payments were frozen, despite crocodile tears from Fianna Fáil and Fine Gael about assisting citizens most exposed to Brexit and mitigating measures to combat climate change. Workers received no income boost whatsoever through personal income tax reliefs. There was no movement towards a living wage. As Deputy Pringle said, if the Minister wanted to create a strong enough demand among citizens, those dependent on social welfare income and those in the workforce, surely this budget would have included some of the mitigating measures in improved personal income tax bands and social welfare payments.

I presented a submission to the Minister on my own behalf and that of my colleagues. It was entitled, A Budget to Protect our People in the Age of Brexit and Climate Change. A fundamental instrument in protecting the people was coming up with some reasonable increase in social protection, pension and benefit payments. I advocated an increase of €7 a week, at a cost of under €500 million a year. The Minister resolutely refused in any way to increase the incomes of the most vulnerable citizens. I am sure the Minister of State, Deputy Stanton, might have supported at least an increase of €5 a week , but Fine Gael and Fianna Fáil froze the social protection budget in a most disgraceful manner. That is one fundamental message.

Far from attempting to mitigate the effects of Brexit and climate change for our most vulnerable citizens, the Government ran away from that challenge. It could have balanced the budget. Deputies Pringle and Boyd Barrett have indicated sources of revenue that we know could have been used. I also advocated an increase in the levy on commercial property, to which the Minister has more or less agreed. There was a range of other measures that could also have been used to raise revenue to balance budgets. I am a member of the Oireachtas Joint Committee on Budgetary Oversight and on the Committee on the Future of Healthcare that produced the Sláintecare report, which together with the Parliamentary Budget Office, PBO, were among the best reforms of this Dáil and which I hope it will be remembered for. When we have met bodies such as the Irish Fiscal Advisory Council, IFAC, who say to us if the expenditure is to be increased by 6.4% as the Government is doing today get the revenue of 6.4%. We needed a bigger increase if we were to protect our people. The revenue could have been attained but the Minister refused to do it. This is ideological. It is Fine Gael and Fianna Fáil against most of the rest of us. The Government is not prepared to take the steps that are necessary to increase net policy spending to protect the bulk of our people from a crash-out or any kind of disorderly Brexit or indeed from the future impacts of climate change. Curtailing wages and salaries and social protection benefits is a grave error by this Government.

Over the past ten years the gulf between the rich and poor in this country continues to widen. Through its poor performance on housing in particular, Fine Gael is normalising homelessness and robbing a generation of children of their childhood. Vulture funds, co-living developers and other private developers are feasting off our dysfunctional housing and rental market. Hundreds of thousands of people are languishing on a waiting list for health services. Somebody gave a round figure of 1 million citizens waiting for acute hospital services, outpatients, therapies and children with serious disabilities waiting years for assessment. That has happened on this Minister's watch over the past nine painful years.

Unemployment may have fallen to 5.3%. I had it at 5.2% but there has been a huge increase in precarious employment, zero hour contracts, bogus self-employment and Fine Gael with the support of Fianna Fáil has allowed that kind of employment to develop. This is the Ireland unfortunately that Fine Gael propped up by the Fine Gael independents and Fianna Fáil has nurtured and stoked over the past decade, giving to the few and leaving the many to suffer. When the Government ends it will be a shameful legacy. It will probably take several Dáileanna and more progressive Governments to fix.

The European Anti-Poverty Network, EAPN, Ireland and the 30 members of the community platform set out four reasonable tests for budget 2020. They include whether income will be redistributed to the poorest 20%, whether the budget will strengthen access to quality employment, restore and strengthen public services serving people on lowest incomes and whether it will be poverty and inequality proofed. Those four simple tests were failed today by this Government notwithstanding the threat of Brexit and dealing with climate change. They were important tests and a reasonable Government would have framed its response in their context but the Minister did not take them on board. The 30 members of the community platform are well-known, long-standing important organisations which interact constantly with us, such as Age Action Ireland, Focus Ireland, the Irish Refugee Council, the National Forum for Family Centres and the National Adult Literacy Agency to name just a few. They did set out reasonable and generally costed requests to address the serious inequality in Irish society and the significant gaps in service provision. Under the cloak of Brexit and climate mitigation this Government totally refused to address these matters today.

In my own submission to the Minister, Deputy Donohoe, entitled A Budget to Protect Our People in the Age of Brexit and Climate Change, I asked for a Brexit fund of up to €2 billion because when we try to cost the kind of very difficult situation our business, agriculture and rural and urban families may be facing we start moving into the territory of between €1 billion and €2 billion. Therefore I welcome the package of €1.2 billion. It is difficult to estimate what could happen if there was a crash-out Brexit after Hallowe'en or later. The Parliamentary Budget Office, PBO, estimated that increases in jobseeker's allowance and jobseeker's benefit alone could be over €100 million in 2020 in the event of a no-deal Brexit, rising to over €900 million by 2029. That would anticipate very significant increases in unemployment in sectors deeply affected by Brexit. It is heartening to know that €650 million is being made available to support agriculture, enterprise and tourism and that €220 million will be ready immediately in the event of a crash out Brexit. Until now it was very hard to find out how much money had been spent so far on Brexit. I think the PBO tried to find out. There are estimates in the order of €100 million to €200 million. Some of the contingency action fund, however, seemed to indicate there was more spending. We do not have a very clear picture of what has been spent. Given the continuing huge burden of our national debt, of €43,000 *per capita*, for every man, woman and child in the country, it was dispiriting to listen to the Minister say this afternoon that he will have to turn to borrowing again and building up our national debt.

As I reiterated in my budget submission the EU should provide at least 75% of additional costs and impacts on our economy to protect the Single Market in Ireland. The Minister did not tell us today what kind of help the EU will give us. No figures seem to be talked about. I do not know whether the Minister has heard anything. Chancellor Merkel told the Prime Minister, Boris Johnson, that if Germany was leaving the EU it would not have the same issues as Britain leaving because of the situation in Ireland and because we have to insist on the backstop. The Danes however with their huge agricultural exports to Germany might have had some comments to make on Chancellor Merkel's view. Whatever happens, the country most affected should be able to expect very significant additional resources from the EU. We need to see that coming, not just verbal support in the negotiations.

I agreed with Deputy Michael McGrath and others who complained about the lack of detail in the operation of the contingency action plans. After more positive news from early today maybe there will not be a crash-out Brexit at Hallowe'en but we do not have any detail of how businesses, particularly those in the Border region or affected there, will be supported. The Minister for Finance and the Taoiseach should be able to give very detailed plans and to indicate where the funding supports will come from. In this year we have been paying €5.5 billion to service our national debt. That is half of the budget for the Department of Education and Skills, and one third of the budget for the Department of Health. It is a savage sum of money to pay in interest on our national debt. We contribute approximately €2.5 billion to the EU and for the past five years we have been a net contributor to the EU.

The Minister stated adjusting to decarbonising the economy will not be easy for everyone but surely that is the understatement of the day. The €6 increase in carbon tax will raise €90 million, while the 1% NOx emissions-based charge will realise approximately €2.5 million. The important point, however, is that the money does not seem to have been hypothecated. Where is the flow of money to protect the most vulnerable people in energy poverty? The Society of St. Vincent de Paul carried out a study and estimated that up to 28% of households endure some kind of energy poverty. When I was a spokesperson on energy some years ago, we spoke about the figure being perhaps 15%, or one in seven households, that experienced significant energy poverty. There is nothing in the budget papers to indicate how the Government has hypothecated the money to try to help the most vulnerable households. Retrofitting and so on has been discussed but it seems to remain a vague area.

We are told the just transition fund will be commenced but that its starting amount will be just €6 million. There will be a new position of commissioner for the fund but why is such a position needed? Why can the Department of Communications, Climate Action and Environment not establish a just transition fund and administer it itself? The hypothecation in that context, which will result in an increase in the fuel allowance of €2 per week, is derisory. Many of us asked the Minister to increase the length of the fuel allowance season by at least a couple of weeks but he refused to do that.

The question many people will ask is what happened to the Taoiseach's great plans for a tax and dividend approach to carbon taxation, that is, the return of levied carbon taxes to citizens and families most deeply affected by energy poverty. I asked the Minister the question a couple of weeks ago but, again, he did not seem to be able to give us further information. The idea, in addition to other helps, that any additional money that people will spend on carbon taxation, such as for travel costs, would be given directly back to them is attractive but it seems to have disappeared completely from the agenda.

I proposed the equalisation of tax on diesel and petrol, which the UK undertook a number of years ago, helping the British exchequer while also helping to make diesel fuelled cars less attractive. The Minister, again, simply refused to consider going down that road. Compared with the rest of Europe, we are often portrayed by some Deputies as a laggard on climate action. I recently read in *The Economist*, however, that Germany has considered initiating its carbon tax at only approximately €10 per tonne by 2021. In view of the fact that its green party has been in government several times and is doing well in the polls again, Germany is often cited as a good example of climate action but it seems to be a case of "Do as I say, not as I do."

Moreover, while most people support bringing attention to the urgency of global warming, it is often asked why there is not more focus on the car industry, that is, the industry that builds behemoths of jeeps and gas-guzzling monster vehicles. Why is there not focus on that area to encourage businesses to produce more hybrids and climate friendly, safer vehicles? In general, smaller vehicles, which are less capable of speeding, are much safer. In our country, we are sometimes highlighted as laggards in the area but we do not have an indigenous car industry. A similar example relates to big business and the use of plastic and so on. Households are repeatedly remonstrated with to be more climate friendly but many of the plastics and non-recyclable packaging we are asked to use comes from business. Business throughout Europe must take a different role. We have debated the increase in the carbon tax but it seems the Minister failed in respect of any hypothecation to make it fairer for the most vulnerable families.

During Leaders' Questions last week, the Tánaiste, Deputy Coveney, stated Rebuilding Ireland needed an injection of adrenaline in budget 2020. Housing is a severe problem facing all our constituencies but the Minister for Finance presented the princely sum of €100 million to address what we have to do. Where was the shot of adrenaline the Tánaiste sought? Although he is the former Minister with responsibility for housing, he certainly did not get it. The Minister's budget allocation in 2018 was €2.4 billion, while this year it is €2.5 billion. The Government has singularly failed to deliver the 30,000 to 35,000 social and affordable homes that are the minimum needed every year. Last week, other Deputies and I mentioned the more than

10,000 homeless citizens, 4,000 of whom are children, which is a most shameful record for the Government. Well over 140,000 households are on council waiting lists or HAP. Many people feel they will never have a forever home where they can lay their head and consider it their place. There was an opportunity today to do something drastic about the matter, as the Tánaiste seemed to want to do.

The Minister stated €1.1 billion will be allocated to help deliver 11,000 new social homes in 2020 but the sum of €80 million he has set aside for HAP, the budget for which is almost half a billion euro, shows that Fine Gael and Fianna Fáil will rely mainly on landlords to house 16,000 new tenancies in 2020. The developer and landlord-led housing programme, an ideological straitjacket into which Fine Gael and Fianna Fáil have fitted for decades, continues. The Government is telling the people we meet day in, day out, on the streets, sleeping in cars and vans or in emergency accommodation, that in 2020 they will not get a home. Some of them have been on the Fingal County Council list since 2005, while others have been on that of Dublin City Council for 18 years.

Sadly, if the Tánaiste was serious about the injection of adrenaline into the housing sector, he has been ignored. Many of us on this side of the House wanted significant funding for the Land Development Agency and the local authorities to start to build a massive social and affordable housing programme, the kind of which that would at long last begin to address the problem. As I outlined last week, in my constituency some 5,000 households and families are on the basic housing list for Dublin city, a further 3,000 are on transfer lists, while on the Fingal County Council lists, there are up to 2,000 households.

The Government did not do enough nationally this year to house the number of people waiting in Dublin Bay North alone. It may be a five-seater, but it is only one constituency of 40. Everything the Government did this year would not help us and there are

7 o'clock

39 other constituencies. A massive effort was needed, but it was simply not made. I welcome the minimal help of the help-to-buy scheme which has been extended to 2021, but, overall, this is another budget in which the Government has stood still on housing. The national effort we need and were able to carry out in the years before 2007 is not happening.

Earlier the Minister for Finance had little to say about the ongoing crisis in the health sector. Nearly 1 million citizens are waiting for acute hospital beds and outpatient and therapeutic services. We were told that a supplementary budget of approximately €300 million was needed to support Vote 38 in 2019, despite the staff recruitment embargo which is clearly being operated by the chief executive, Mr. Paul Reid, and the HSE. Despite the embargo, the supplementary budget was still going to be at least €300 million. We have discussed the health budget a great deal at the Committee on Budgetary Oversight. For the past two years it has been obvious that the allocations for health services are too low. One can look at all of the efficiencies one likes, but the simple reality is that we have too few hospital beds, consultants and GPs. When one compares Ireland to exemplars such as the Scandinavian countries, we are not remotely at the races. We have too few social workers and therapists across the system.

The Minister for Finance set out a budget of €17.4 billion. We all deal with health issues day in and day out, weekend in and weekend out, but when one looks through Vote 38 for health, it is disappointing to see the figures with which the Government has come up. For example, there is a new commitment that all persons with disabilities leaving school at 18 years should have access to support. The Minister of State at the Department of Health, Deputy Finian Mc-

Grath, will be talking about 1,600 young people. There is provision for respite care services and a programme for those with autism. However, the total additional funding for disability services is only €25 million. I am a member of the informal committee in the Houses on people with disabilities which is chaired brilliantly by Senator John Dolan. The Disability Federation of Ireland and the committee wanted a minimum commitment to an investment programme of €211 million in the next five years, but it is nowhere to be found in the budget. The figure is €25 million. Once again, unfortunately, the Minister of State, Deputy Finian McGrath, has failed to bring to the House the optional protocol on disability services to the United Nations Convention on the Rights of Persons with Disabilities. In that context, an allocation of €25 million is very disappointing. I urged the Minister to increase the National Treatment Purchase Fund by €25 million to bring the total to €100 million which he has, of course, done and which I welcome. I welcome also the extension of GP services to the under-eights and dental services to the under-sixes. One then looks, however, at the allocation of €10 million for palliative care services.

One of the most disappointing allocations, aside from that for disability services, is that for mental health services. My colleague, Deputy Catherine Connolly, has constantly asked the Government to implement A Vision for Change. There is basic funding of €13 million for the national forensic mental health hospital at Portrane, but the Government has refused to meet its responsibilities overall. Chapter 12 of the budget 2020 expenditure report on health spending is disappointing. The overall figure it sets out is simply too low. We need serious and realistic health budgets which should be at least €1 billion, if not €1.5 billion, higher. Far from implementing A Vision for Change, only €13 million extra has been provided for mental health services.

While the €97 million package for older people is welcome, it is less than half of what is properly required for homecare packages and the nursing home support scheme. Besides the investment programme and the implementation of the optional protocol, the informal committee on people with disabilities to which I referred has called for a range of improvements in the disability sector. It is disappointing that in that area and for family carers the Government has failed to respond.

The upsurge in anti-social behaviour and crime in Dublin Bay North and other constituencies demands a vigorous response from the Government. However, the €81 million increase in the Garda budget will not do a great deal to accelerate the achievement of the 2020 target of 21,000 gardaí in the force. The overall increase of €120 million for the Department of Justice and Equality seems small in the context of the Garda Commissioner, Drew Harris's plans for front-line policing and the necessary doubling in size, which we want, of the traffic corps. It is another area in which there has been minimal movement by the Government.

Deputy Pringle referred to public transport and the failure of the Government to expedite and take a more urgent approach to the development of public transport systems. The highest capital allocations for transport are allocated for 2020, 2021 and 2022. In this city, however, we ask where is the progress on MetroLink. In mid-Leinster, including this city, we ask where is the progress in providing commuter rail services. Why is the Government not looking at reopening the Navan rail line? We all support the provision of Luas light rail systems in Cork, Limerick, Galway and Waterford, but they are all at very basic stages of planning. There is no appearance of a serious attempt on the part of Government to use public transport to get cars off the roads. While we can cycle and walk, we need a modern transport system. It is extraordinary that, unlike in every other European capital, in Dublin there is no fixed line system to the airport. Even BusConnects and the railway renewal programme appear to be mired in lethargy.

I refer to childcare services for which there is a welcome, albeit still small, increase of €94 million through the Department of Children and Youth Affairs. In my budget submission I asked for an increase for Tusla of approximately €50 million in circumstances where we had constantly raised in questions to the Department the difficulty in recruiting social workers to carry out much needed assessments and inspections. The Government has increased Tusla's budget by €29 million to €814 million, but it should have gone to at least €50 million. The allocation of €54 million for early learning and childcare services is also welcome. Many of us in all parties in the House were involved in the campaign of the Children's Rights Alliance, No Child 2020. The campaign proposed a range of improvements, including providing a hot meal for children in school, free school books and so on, to improve the life of every child in Ireland. However, the No Child 2020 programme was left completely unaddressed by the Minister for Finance today.

We have all met primary and secondary school teachers in the last year. We met the Irish Universities Association in Buswells Hotel a month or so ago. I also met representatives of my local university, DCU. I note that there is an increase in the education budget for next year.

Due to the quality of our teachers and students and the support of the parents, we have a world-class education system. It is critical that we keep it at that level. I was particularly struck by the submissions of the National Principals Forum, which complained bitterly that the 5,000 posts of responsibility from before the crash had not been restored.

One of the biggest problems that arose in the education area related to autism spectrum disorder, ASD, units. There is virtually no system in place for children with autism who have finished primary school and want to go on to second level. There is a special capitation for children with disabilities at primary level in ASD units but there is no such capitation at second level. We all met a great campaigner from Cork a few months ago, who wants us to replicate in second level schools the improvements in provision for children with disabilities that exist at first level but that is not provided for in this budget.

The Union of Students in Ireland, USI, asked for a €1.26 billion investment programme in higher level education until 2030. The Irish Universities Association is very concerned by recently-published rankings. I do not agree with ranking schools or universities but there are a number of international league tables down which Irish universities have been tumbling. UCD, Trinity, DCU, Galway and all our other colleges were once fairly highly placed. I have been told that there has not been the same level of support of such institutions here as there has been elsewhere. For example, the University of St. Andrews in Scotland is often credited as the number one university in the world. The levels of support which it receives from the Scottish Government, or the levels that the London university colleges receive from the British Government, are simply not provided in our system.

As others have stated in their budget submissions, and as I said earlier, there are potential revenues into which the Government could have tapped. My former colleague, Mick Wallace, brought forward the Urban Regeneration and Housing (Amendment) Bill, which dealt with vacant site levies. The former Deputy, now MEP, indicated that €100 million could be generated by that but the Minister ran away from it.

Many of us have felt that there should be a higher rate of income tax, perhaps 43% on incomes over €100,000, which the ready reckoner tells us would yield at least €364 million. Such a rate on incomes over €80,000 would yield half a billion but the Minister refused.

This is a standstill budget that does not protect our citizens from the impact that a no-deal Brexit could have on Ireland or from the impact of changes in carbon taxation and climate change. All in all, sadly, this Fine Gael-Fianna Fáil budget, perhaps the final one of this Dáil, was a non-event.

Deputy Mattie McGrath: I will be sharing time with Deputies Danny and Michael Healy-Rae, Harty and Michael Collins.

I am happy to contribute briefly on the measures provided for in the non-event that was budget 2020. The Minister for Finance, Deputy Donohoe, earlier framed his budget as having two strands. The first was to provide the extra steps we need to take into account the prospect of a no-deal Brexit and the second revolved around improving public services. He failed miserably to do either. One would have to have heard this to believe it, but the Minister began his Budget Statement by stating we have a well-run economy for which the Government is delivering responsible management. I do not know what planet he is on or that he thinks the people are on. This highlights the absolute fantasy land that the Minister and his colleagues are living in. Does the Minister think we can simply ignore the catastrophic explosion of costs associated with the diabolical project of the national children's hospital, which now stand at nearly €2 billion and are growing? The cost is the only thing that is growing because there is no sign of the hospital emerging out of the ground. It will never be finished. It will never take a child or grandchild from any of us in the Rural Independent Group because there will be no access to it.

Does the Minister think we can just ignore the expected rise in the cost of delivering the national broadband plan? Even the Taoiseach said recently that he welcomes the possibility of an inquiry by the Oireachtas Joint Committee on Communications, Climate Action and Environment. Is he for real? He is the Taoiseach in charge of this and is hoping there will be Oireachtas inquiry. This will be another investigation, maybe even a tribunal, while the Taoiseach rides off into a big job in Europe along with Big Phil the enforcer.

At least €1.5 billion must be found in the national development plan in addition to the €800 million already allocated to the national broadband plan. The people who I represent in Tipperary, from Moneygall to Carrick-on-Suir and from Ballyporeen to Ballingarry, do not have broadband. It might be only four poles away, or 200 m away, but it might as well be in Mongolia for the good it does them. They have no broadband. Is this what the Minister meant when he talked about the responsible running of the economy? Kindergarten children would not have put such a thing in their speech because it is totally irresponsible and reckless.

The Government's reputation for prudent economic management is in tatters. Fine Gael used to have a record of fairly sound economic policy but it now lies in tatters. I do not believe that reputation was ever deserved. We can now see that no effective constraints were placed on the likes of the national children's hospital. The Minister also spoke today about the importance of carbon taxation and the measures to prevent it impacting on the poorest and most vulnerable and yet he did nothing about it.

While the Minister was on his feet, the Society of St. Vincent de Paul tweeted about the plan to defer carbon tax increases until May 2020. The plan to do that is a funny one, when one considers that there will probably be an election in April 2020. Does the Government think people will be fooled completely? The Government can try and pull the wool over their eyes again but their eyes are wide open now and their cataracts have been removed thanks to the buses organised by Deputies Michael and Danny Healy-Rae and Deputy Michael Collins. They know what is going on; they are no eejits. An increase of €6 in carbon tax means an increase of €1.02 on filling a car with 60 litres of petrol, €1.17 on filling a car with 60 litres of diesel and €1.44 per 40 kg bag of coal. There will be an increase of 31 cent for a bale of briquettes. It is an insult. A bale of briquettes is the smallest commodity people can buy and the Government hits the poor and marginalised people like that. Of course, Fine Gael was never interested in those people. This is a regressive tax that must urgently be reconsidered. There is simply not enough attention being paid to how this will hurt the most vulnerable.

I also remind the Minister and the Government that a carbon tax has already been in existence since 2010. The Government might think that, with Extinction Rebellion at the front and back gates of Leinster House, that this is a new tax. It has been there since 2010 and we have been bled with it. This tax, as we know, applies to certain fuels that we burn for heating, such as natural gas and heating oil, as well as for transport purposes in the form of petrol and diesel. All of us in rural Ireland must suffer and endure that tax because of the need for petrol and diesel. Since its introduction in 2010, the State has already taken in at least €2.8 billion in its tax on carbon and I want to make sure the public know that, although they do know because they feel it in their pockets every week.

In light of that, an argument could certainly be made that we are already contributing massive amounts of tax when it comes to carbon-generating activities. Every person in Ireland who puts petrol in his or her car or lights his or her cooker is in some measure already paying through the nose to offset the damage done by carbon to the tune of €400 million each year. The impression I get is that the Government wants us to forget about this and to start seeing this climate carbon tax as something new when, in reality, we have paying for almost a decade. The Government is not fooling the people. Although we have already given the Government almost €3 billion, we are still being treated as ecologically irresponsible and not contributing our fair share. That is disturbing.

People may well ask what right do they have to expect that any additional taxes can be justified, given the obvious failure of the existing carbon tax to implement new and effective strategies around climate change. The Climate Change Advisory Council has pointed to a need for an increase in carbon tax and the Government's climate action plan commits to the implementation of a carbon tax rate of at least €80 per tonne by 2030. God help us because this will have a devastating impact on many sectors of our economy. As the Parliamentary Budget Office has noted, an important aspect of the increasing carbon pricing is the role of the complementary supports to assist the increased burden on households on low incomes, who generally spend a higher proportion of their income on energy.

I am talking about marginalised people in the city and town, as well as rural dwellers. The Parliamentary Budget Office notes that ESRI research shows that low-income households can be compensated for increases in carbon tax. That is all fine on paper. Different compensation schemes include lump sum rebates, revenues for recycling through existing tax and welfare systems but we must see far more detail on these proposals, especially in their impact on hauliers. The rural hauliers are not at all happy. Fine Gael has its candidate selected, Verona Murphy, who did great work as a road haulier. I do not know what she thinks this evening. Will she be very happy with the party? The Government did a cobbled job on it, changing around bands and permissions and things that we do not understand, but the hauliers understand it because they know the prices and the impacts this will have on them. It is a most vital sector, especially as we face Brexit. Auto diesel accounts for 42% of carbon tax receipts. I was glad to hear the Minister commit to introducing a benefit in kind for commercial vehicles and additional rebates for relief for hauliers but it is highly convoluted and will put them in no better position. The haulage industry is a vital part in maintaining our economy. It has suffered serious setbacks in recent years. The increase in carbon tax on diesel must be balanced out by other supports for the industry or we will see the sector collapse. God help us then. Some months ago when I asked him about this issue, the Taoiseach told me they should get smaller vehicles. Think about it; that is some logic. Earlier, the Minister, Deputy Donohoe, said as a Government, "we stand ready to act". For a brief moment I thought he had said "ready to axe". The Government is better at axing than acting although it has good actors too, except for acting in favour of the people. What this Government has been doing is taking the quality of life away from the people of rural Ireland, and indeed urban Ireland, and taking the axe to it. It is to hell or Connacht, Cromwell's old adage. The Government never ever looked after the daoine beaga, the little people. They are the ones being left to carry the burden of disproportionate and unfair measures.

The Minister, Deputy Donohoe, said that he is providing €42 million for a rescue and restructuring fund for the agrifood sector, €85 million for beef farmers, €14 million for fisheries - that would hardly look after one harbour and a couple of piers - €6 million for livestock farmers and the mushroom sector and €5 million for food and drinks. That all sounds fine and dandy but the beef sector is on its knees. The Government paid it some respect last week when it was supposed to appoint an independent chair but it appointed an insider, the former Secretary General of the Department that came up with most of the rules the farmers are trying to get rid of. The Government should be ashamed putting him in there. I mean nothing personal against the man but we needed someone independent with an independent mind. Of course we welcome the funding but it falls far short.

The beef sector alone is a multi-billion euro industry that has been undermined completely by the inaction and lethargy of the Government and the Minister, Deputy Creed. I hear rumours that he might be retiring. He may retire because he is no damn good in the job anyway and no good to the farmers of rural Ireland. We know this because, as the Rural Independent Group's motion put it only two weeks ago, key commitments outlined in the programme for partnership Government, which we found hard to have included, were never acted upon. I lay the blame for that at the feet of the officials. The Government is not doing it and it is not insisting that the officials do it. The permanent government is in charge here. The members of the Government are only photo opportunity merchants and spin machines. Those commitments included introducing a framework for producer organisations, POs, and the development of POs in the beef sector to ensure that farmers are not just price takers but price makers. We have a task force, not yet populated, where one of the usual suspects will chair that. Will they be independent? I will not use the language to answer that in front of an Leas-Cheann Comhairle. The fact is there was literally no progress on those commitments by the Department of Agriculture, Food and the Marine. Indeed, it was a lack of leadership from the Department that created so much of the mess in which farmers found themselves and in which they continue to find themselves. We also heard about a €650 million package in the event of a no-deal Brexit for areas including tourism and the regions most affected. That is welcome but the hard fact remains that the regions outside Dublin have operated in a two-tier economic model for years. Brexit will be nothing new; it has been happening for years. The Government has allowed that model to continue, which is one of the key reasons rural Ireland still stands in need of such supports. The programme for Government, the negotiations for which we played a large part, promised rural-proofing of all legislation. The Government must have lost the text on the day that it went into office because it has not rural-proofed any legislation. It has done nothing.

The Minister said this budget was a bridge to a better economy. I would not like to go over that bridge. A bridge to nowhere might be more appropriate. Where, for example, is there any sense that the housing emergency is front and centre? The Minister barely mentioned it. He should ask Social Justice Ireland or Fr. Peter McVerry. He does not need to ask anyone, he could just walk down the streets of his own area. The Minister essentially covered the issue in a paragraph and only then with reference to funding for the Residential Tenancies Board, which I welcome but it is a paltry amount. To think this is a budget during a housing crisis affecting young children and it was just mentioned in a paragraph. The Residential Tenancies Board needs support but it is so woefully lacking in imagination and ambition that I think people in housing emergencies will just despair. What else could they do? The housing agency, Respond!, has said of the Minister's help to buy scheme that its continuation in its current form will only benefit high-income earners, while low and middle-income earners are not in the picture again. The Government does not care about them and never did. That is a damning assessment and highlights yet again how the poorest and the most vulnerable are being targeted by this Dublin-centric and out-of-touch Government. It is also rich-centric and well-off-centric with an attitude of to hell with the daoine beaga and to hell with the poor. The Minister, Deputy Donohoe, also mentioned a €1 billion package of measures for business and SMEs. This is welcome but it totally avoids one of the root costs that cripple SMEs everywhere, every day of the week, namely, the payment of rates. It is killing them and businesses get nothing for them. There was a time when one paid the rates and received sewerage and the house gritted with a bag of salt if there was ice but people get absolutely sweet FA for rates now. They are expected to pay them and shut up. They are a penal rate of tax. We looked forward to some revaluations recently but all we got was petrol stations being nearly crippled with rates increasing by multiples. We need to see the rapid introduction of measures that will provide greater charging flexibility on this issue for local authorities, which is not there.

On health, the Minister announced the introduction of medical cards for children under eight years and others, which will benefit 56,000 citizens. I hope he consulted with GP bodies about this because when the free under six years card was introduced, the National Association of General Practitioners, NAGP, warned that it would lead to major capacity issues and create significant amounts of additional stress for GPs. Deputy Harty behind me knows all about that. Will GPs be provided with parallel levels of support to enable them to implement this policy? No, they will not; it just looks grand but it will clog up the surgeries and people can wait. The Minister, Deputy Donohoe, and the Taoiseach are just saying "let them eat cake". The same goes for the carers and the proposal to introduce 1 million additional home help hours. Where is the recruitment process for this? When will it begin? The Government might as well introduce 10 million hours because there is an embargo on recruiting any new carers. These wonderful people get up early in the morning and could visit perhaps seven or eight different households, doing half an hour here and half an hour there. They are committed and work strenuously. There are sick people, such as cancer patients, being released from hospital who cannot get any home care packages because of the ban on recruitment. There is no point in saying there will be a million extra hours without lifting the recruitment ban. We should be given the figures of how many people have left the service because of stress and overwork. How many people have retired and how many people are working now? It is a total con job and the Government should be ashamed. I salute the carers and Councillor Richie Molloy in Clonmel, who manages the Family Carers Ireland centre in south Tipperary. The carers came in to lobby the Government but they may as well have gone out to the Knockmealdowns for a walk; the Government cares nothing about them. Has the Government factored in the loss of those carers and home help assistants that have left the system and if not, why not? The Government thinks it can fool us with figures. Carers in my own county provide a quarter of a million hours care per week, an average of 42.1 hours per carer. That is staggering, and then there is talk of a four-day week. I do not know what planet the Government is on. We need to see our carers supported by real concrete action like access to emergency and other forms of respite. They do not need pie in the sky commitments that are meaningless but sound good on budget day. A million extra hours sounds great - does the Minister think people will fall for it? The Minister also said he was bringing the education budget to €11 billion in 2020, an increase of €2 billion since 2016. I hope this includes movement on raising the capitation grant, which is so badly needed. The Minister of State is aware of all of the schools in south Kilkenny. Will the Minister of State also not accept that tens of millions of euro of that budget is spent on renting prefabs? Why can the Government not sort this out for once and for all? There is an excellent prefab manufacturing company in the Minister of State's own constituency.

I have found out through my parliamentary questions that the Department has paid in excess of €83 million just to cover the costs of renting units during the period 2011 to 2015 which is a staggering amount. Why are the officials, the mandarins and the Minister within the Department not able to sort this out? Anybody knows who was educated in a prefab building, as I was myself, that these are not suitable for education and tuition. They are like roast boxes during the summer and iceboxes during the winter. There is no doubt that further tens of millions of euro have disappeared from the education budget due to the cost of these.

While I welcome the efforts being made to decrease the amount of prefabs being used in our schools, I also find it extraordinary that we have centrally invested almost €100 million to keep our children in what are often unsuitable and poorly constructed accommodation.

The figures given to me by the Minister do not even take account of the ancillary costs associated with maintaining the prefabs, with the stick-up and patching jobs that the parents councils have to fundraise for on a daily basis. What is clear is that, according to the Government's own figures, the need for schools is not being met. Under the Department prefab replacement initiatives, approval was given to just under 217 schools, 209 primary schools and eight post-primary schools to replace 614 prefab units with permanent accommodation. Of the total of 217 approved schools projects, only 170 have been completed. These prefabs are falling down, leaking, broken and dangerous. I simply cannot accept that it is beyond the wit of the Government to draw up an intensive school-building programme that would serve not only to improve class conditions, but also lead to employment in the building sector, which this Government seems to be hellbent against. Giving procurement priority to local firms would also help local economies and school areas.

The Irish Primary Principals' Network is also overwhelmed with regulations. Principals need a break and I support them. They need time to do their jobs because they are being destroyed with fatigue and pressure. There were 40 different directives issued to them last year and they are expected to be abreast of all of them as well as to teach. We need to recognise that: mol an óige agus tiocfaidh siad. We should look after the very young, from the cradle to the grave, but this Government is forgetting most of them. We must remember that these children and teachers are already operating against a backdrop of a school environment where our average class size at primary level is three pupils higher than the OECD average as well as being above the OECD average for pupil-teacher ratio. This Government did nothing there either.

Mar fhocal scoir, stamp duty is a disaster for farmers and for anyone struggling to buy back their home. They must form one of these companies now to try and meet the banks and get their home back from the vulture funds. One of the Minister of State's predecessors said that the vulture funds were necessary in Ireland. I know what vultures are when sheep are lambing. They will take the eyes out of the heads of the lambs before they are born. What a horrible connotation but the Government will find when it goes to the people about the merciless way it treated them.

Deputy John Paul Phelan: It is a crow, not a vulture.

Deputy Mattie McGrath: You have no shame but you will have no place to hide. The wolves, that Deputy Eamon Ryan wants, will come after the Government.

Imagine reintroducing wolves into rural Ireland. We are tormented with deer and fox. You will not leave us hunt hares or leave us have greyhound racing. The Government is a Dublin cabal, a Dublin-centric Government that cares little for rural Ireland. Bord Fáilte or Fáilte Ireland are supposed to be promoting rural Ireland. The Minister, Deputy Ross, who does not know the front of a greyhound from the back end, said we should stop advertising greyhound sports. Imagine our tourism industry that a Minister with responsibility for tourism would stop promoting visitors going to greyhound racing, where there is not even a live hare at all. That tells you what the Minister is thinking.

He is the man who has got a new electric car. He can get one because he can well afford one. We were all told to get one and charge it at an electric charging point. One would be as well plugging it into a biro. It was dead, there was not an ounce of current in it and it would not light a flash lamp bulb. He is trying to con the people. The conning is over. The Government's day is up. This is a wasted opportunity.

Deputy Michael Harty: I thank the Leas-Cheann Comhairle and the Minister of State.

This is the fourth budget of this Government. It is shaped with Brexit in mind. It does not, however, give this Government a free card nor would they expect one. There are many critical issues facing our country at the moment and I would like to address some of them in the context of the budget. One is the health service in which I have a particular interest. The others are housing, the sustainability of rural Ireland and balanced regional development. None of these have been addressed during this Government's tenure in office and many of them have in fact worsened.

On health, there is lack of joined-up thinking. That is reflected in the way health is addressed in this budget. There is a lack of focus on urgent health reform as outlined in the Sláintecare report. The Government refers to Sláintecare at every opportunity and this is almost used as a fig leaf to explain its inaction.

Each change in health in this budget is very difficult to criticise because they are all worthwhile changes. They are designed to attract votes and are politically expedient rather than actually delivering a coherent health reform.

The Independent Alliance is claiming that they have achieved the full medical card for up to 56,000 patients by expanding the financial criteria for qualification. Fianna Fáil is claiming that it has delivered an increase in the National Treatment Purchase Fund, NTPF, and Fine Gael is claiming that it is going to deliver free GP care to under 12's and under eights by next September, as well as many of the other changes. Each component of the confidence and supply agreement of Government is claiming to have obtained concessions in health. When one looks at those concessions in the round, they are not delivering sustainable reform to our health service.

If one looks at the National Treatment Purchase Fund, an extra €25 million has been added to bring it from €75 million to €100 million. This is an admission of failure to provide proper public services but using the NTPF as a core part of health care delivery is not going to deliver real sustainable health reform and it is not addressing the core problem that is underpinning our poor public health funding. If this €100 million was invested in our public service it would give year-on-year improvement in public services and if €100 million or more was invested every year, the benefits would be compounded and cumulative. As it is this €100 million is lost to the public service as all previous investment in NTPF has been, year-on-year. The National Treatment Purchase Fund has been used to hide the lack of capacity in our public service.

This budget is not addressing the core challenges to our health service which is lack of bed capacity for acute care. We are short 2,600 to stand still, without taking demographic changes into account.

Next year we are also going to have a lack of bed capacity for elective care. Currently, our acute services are not able to deliver acute care, elective care is being pushed to the side and the only elective care that is being delivered is urgent care and cancer care. There is a lack of capacity for elective care, for step-down and long-term care in our public services. Finally, there is lack of funding for step-down care and long-term care in our private system and for the nursing home subvention scheme.

There is also a lack of permanent consultant posts. There are 500 such vacant posts. These vacancies are inhibiting the delivery of acute public services. The reasons for the lack of consultants is that there is a lack of pay parity for new entrants, the working conditions under which consultants have to work and the fact they do not have access to acute beds, diagnostics or to support services. Consultants who have worked in other health services and have had access to all those facilities are not going to come home to a service which is failing to give them even basic support. We have a lack of diagnostics and MRI scanning which has been spoken about recently in the health committee and here in the Dáil which is the case in all of our acute hospitals but in particular in University Hospital Limerick. All of these issues contribute to long outpatient waiting lists, waiting lists for elective care, and waiting times for acute care where patients are treated on trolleys in casualty, on corridors and in extra beds on wards, which does not give them optimal care and which is usually delivered to frail and elderly people who will experience worse hospital outcomes and longer hospital stays detrimental to their independence in the future. The Government cannot pour two pints of milk into a one-pint jug. Patients do not just go away. If they are waiting on an outpatient waiting list or for elective care for a long time, eventually they will end up in emergency departments because their conditions will have deteriorated.

It is difficult to argue against full medical cards for people over the age of 70. In the context of health reform, however, it does not address the core issue that faces patients aged over 70. They will get improved care within general practice but they will not get improved care in the hospital system by delivering a free medical card to them. It would be much more effective if that money was invested in our hospital services. Let us consider cross-Border care, to which Deputy Mattie McGrath referred, and the busloads of people travelling to the North to have simple procedures carried out that should be carried out in this country. If that money was added to the €100 million going into the NTPF and the allocation to provide free care for under 12s, it would fund the substantial, long-term health reform promoted by Sláintecare. A total of €32 million is provided in this budget for specific Sláintecare programmes. Sláintecare envisaged 20 times that amount going into reforming our health service to bring it up to a level we can be proud of.

Home help hours are essential and it is difficult to argue against an increase of 1 million hours. I am certainly not doing that. There is, however, a problem in the delivery of home help. People cannot be found to deliver that service. The restrictions applied through the social welfare system restrict people in receipt of social welfare who want to contribute to society. They want to provide home care but cannot because they will lose their benefits. Those who may wish to have a full-time career working in home care cannot access a career path in delivering home help. There needs to be a complete restructuring of how home help is delivered but this is not addressed in this budget. Funding 1 million additional hours does not provide the people to deliver the service.

This year, there is a budgetary overrun of €335 million, as opposed to €445 million last year. Our population is increasing and ageing and, therefore, there is increased demand. Unmet need has increased but there appears to have been a saving of €110 million. I would like this to be explained. Hopefully, this saving does not result from a reduction in services. Perhaps the Minister for Health will address this in the House later this week.

This budget will not address the pressure areas in our health service. Greater engagement is needed with front-line staff who can identify areas where long-term efficiencies can be developed. It also needs to be emphasised that we must support our section 39 organisations, which provide the most effective and value-for-money services in our communities and in our health services. These organisations are underfunded and, as a result, the services they deliver are not at the level they would like. I cannot address the other issues now but I might get an opportunity later in the week.

Deputy Michael Collins: After the budget was announced, I could not but think that once again it had not provided adequately for the hard-working people of Ireland, and especially the people of rural Ireland. This budget merely hands out a few crumbs, creating the illusion that these crumbs are more valuable to the people than they are. We all know that the budget is being dubbed a "pre-election, pre-Brexit budget". The feelings created in this budget are an attempt from the Government to scare the people into accepting more unjust taxation. The Government provides a few crumbs from the table to keep people quiet, but I know that the people of Ireland and rural Ireland will not be so easily swayed. The bottom line for everybody is how much money is left in their pockets at the end of the week. After today's budget, we could be talking about little to none left. How does the Government expect the people to live like this?

Let us consider the USC. In 2011, we were assured at the height of the economic crisis that the introduction of this charge would only be a temporary measure. Fast forward eight years and we are still paying it. During his 2015 Budget Statement, the then Minister for Finance, Deputy Noonan, stated: "As resources become available we will progressively abolish the USC." Four years after that statement, the charge is still with us. The Government does not acknowledge the effect it has on people. In today's budget, the Government did not remove the USC and it did not even lower the rate for all taxpayers, giving an indication that the charge is here to stay. This is a disgrace. Does the Government expect the people of Ireland to be grateful that it has not increased the charge? This is a classic example of the crumbs I referred to earlier. The bottom line stands that the Government needs to keep its promises and the USC should be abolished. There must be no more pussyfooting around it.

As well as failing to abolish the USC, the Government has increased the carbon tax. This tax is an attack on all the people of Ireland and especially the hard-working people of rural Ireland who just want to live a happy, productive life, provide for their families and not be robbed of every spare cent they have in their pockets. How does the Government expect people who are scraping by to pay this increased tax? The people of west Cork have no alternative but to commute to work by car because the public transport system is not up to scratch and is unusable for them. In my constituency, I have heard from constituents that sometimes by the time the 237, Goleen to Cork, bus reaches Rosscarbery in the morning it is full, leaving people on the side of the road and having to get a taxi to work. This adds more strain to the pockets of people who are struggling. It is all well and good investing in electric vehicle charging points but when people are being taxed to high heaven, how are normal working people supposed to afford a car to charge?

In the past there was a death benefit that a spouse or partner could avail of when a loved one passed away. This benefit was to help with the initial financial burden when a loved one passed away. It is a shame that this death benefit was stopped and it should be reintroduced. We have a Government squandering billions of euro on a national broadband plan and a children's hospital. This budget tells me the Government is not willing to help families in difficult times but is more than happy to invest in flawed plans.

The Government retained the VAT rate for the tourism and hospitality sector at 13.5%. This affects hotels, guest houses, bed and breakfasts, restaurants, cafés, hairdressers and various entertainment services. The Irish Hotels Federation has said it has "seriously undermined Irish tourism's international competitiveness and the ability of tourism enterprises such as hotels to re-invest in their business and local economy" ahead of Brexit. I can see that this is going to be a challenging time in my constituency. It has been reported that over the past year 57% of hotels have experienced a fall in business since the VAT rate increased from 9% to 13.5% in last year's budget.

What does this budget mean to farmers and fishermen? It is a case of "Live, horse, and you will get grass". We are all going to have to see what happens here but that is the way these two sectors have been treated by the Government. Recently we have had one bad storm after another and when aid was needed for the fishermen who lost their equipment, no compensation package was put in place, no matter how much we pleaded here. The budget provides for €14 million to be given to fisheries in the event of a no-deal Brexit. I have very serious concerns that this is nowhere near what is required. This package is being met with a lukewarm response in fisheries circles tonight. Fishermen have put their hearts and souls into developing a business in the most hazardous and challenging work environment on earth. Is this a redundancy package for many of them? If there is a hard Brexit, that €14 million will go nowhere near what is required for the them. I ask the Minister of State, Deputy Phelan, to remember that year after year and decade after decade, we have handed over every right of our fishermen off our coast. Even up to this year while political parties here were falling over themselves to make sure we gave away the zero to six-mile zone, other countries retained their rights. Now we face a difficult position going forward for our fishing sector.

Beef farming is in a dreadful state and the €200 suckler cow grant was vitally important this year. However, there is nothing in the budget for the farmer, save a promise that, if there is a hard Brexit, aid will be given. Farmers need aid now, as they are going out of business, yet the Government does not see it, just as it did not see it during the protests throughout the summer.

Regarding transport, my proposals to the Taoiseach to take tens of thousands of cars off the roads of west Cork via a daily park and ride system to Cork city were dismissed out of hand by the Department of Transport, Tourism and Sport, but that was to be expected from the Minister, Deputy Ross, seeing as how it was in rural Ireland. As it was in west Cork, funding for such a project was never going to be provided. If it had, it would have had a significant impact on our carbon footprint and resulted in real savings for hard-pressed families. We are lucky to have a private bus operator like Damien Long in Skibbereen. He is putting his neck on the line for the people of west Cork by running a private service, West Cork Connect, that will start soon. In the weeks ahead it will carry people from Skibbereen and Bantry straight through to Cork city and Cork Airport on a daily basis. There will be no aid from the State, only a private operator who is trying to play his part for west Cork.

Look at the parents of children who are over 18 years of age and have disabilities. Has the Government factored them in to the budget? There are no transport services for these disabled persons. Actually, I was told by the Minister of State that there were services in Dublin, but we expected that to be the case. No funding for the people in question has been factored in to the budget. It is sad to see parents transporting them every day all over west Cork, including Ballydehob, Skibbereen, Bantry and Bandon. It is unfair that the existing budget is not being allocated properly. The budget was an opportunity for the Government to do something for people with disabilities, but this cohort has a weaker voice and the Government can get away with leaving them in this position.

Will the Minister of State outline how the health budget will be rolled out next year? What about the people of west Cork who have been heading to Belfast for cataract operations? Deputies Danny Healy-Rae and Michael Healy-Rae and I saw off the 46th bus this weekend. Well over 1,000 people have had their eyesight saved in this way. Why is it that there is no budget for cataract operations in County Cork or County Kerry? People must go blind if they have a Cork address. Has the Government provided a budget for a clean room that is fully equipped to carry out cataract operations in Bantry, Mallow or Cork? Surely, given the millions of euro it has squandered on a hole in the ground in Dublin at the national children's hospital, the Government can find some crumbs from the rich man's table for these honest, God fearing people who are losing their sight. The same can be said about those who are on waiting lists for hip and knee operations. Will funds be spent on those who require these surgeries, or will we have to continue to clean up the State's mess by bringing them to Belfast? I will be interested in seeing the answer in the days ahead. Will the devil be in the detail and, once again, will there be no funds?

I welcome the increase in the number of home help hours, but will it be enough? In recent months people have desperately sought home help hours only to be told "No" because there was no budget available. Even if someone is suffering at home, he or she will not allocated home help hours, which is sad.

The roads in west Cork are in urgent need of funding. We have no funds for the Innishannon bypass project or the southern relief road project in Bandon. The people of Bandon now fear that the northern relief road will only be half finished. We understand the Government does not spend money in west Cork, but it is time to wake up. We need investment in roads, including passing bays between Bandon and Clonakilty, Clonakilty and Skibbereen and Dunmanway and Bantry. I do not expect everything to be done in one year, but for decades the State has been stretched in filling pot holes in west Cork. Now we want real investment. Surely this is the time for it. Does the Government have any vision for west Cork?

There are many other issues. I welcome the extra funding for the Garda, but will the Garda stations the Government closed be reopened? I am referring to the Garda stations in Goleen, Adrigole, Ballinacarrige and Ballinspittle. The Government has been promising and promising. I think another new date has been given for the reopening of Ballinspittle Garda station. It is about time the Government reopened all of these stations.

Deputy Michael Healy-Rae: I welcome the opportunity to contribute on this anti-rural budget which has been introduced by Fine Gael and supported by Fianna Fáil. I will start on the issue of tourism by addressing the soft talk in which the Minister engaged today with the tourism industry and the people who work so hard in it.

I come from County Kerry which has the tourism capital of the world and the rest of the county in Killarney. It has been hit more than anywhere else by the increase in VAT from 9% to 13.5% and not one thing in the world has been done to address that issue. It has hurt those involved in tourism iand other industries. I point this out on behalf of the hard-working people concerned, be they in Killarney, Cahersiveen, Killorglin, Kenmare or anywhere else in County Kerry. They are sour tonight that nothing has been done to reduce the VAT rate.

Nothing has been done in the budget for cattle or sheep farmers. In reality, nothing is being done for our fishermen either beyond engaging in a lot of soft talk. Tell it to the fishermen who want to fish in Cromane and are waiting for licences. The Government could do simple things that would not cost anything. There are repairs to be carried out on piers and other infrastructure that are crumbling. The Government cannot see that doing small things would make a difference in rural areas. There are piers falling apart in places such as Rossdohan. We need piers in places such as Cromane, but the Government is doing nothing. Owing to the location of County Kerry, we need funding for coastal protection measures in areas such as Cromane.

The carbon tax is going from €20 to €26 per tonne and we are being told that it will go to €80 by 2030. In honour of good God, is the Government trying to hunt the people out of Ireland completely? Those who will be most adversely hit by the increase are those living in rural areas. It will cripple people. The Minister for Finance even acknowledged that it would affect others disproportionately when he increased the fuel allowance by €2 per week to offset the hurt the carbon tax would cause to certain sectors of the community.

A 6.3% increase in the health budget to €17.4 billion will be made, but it is the mismanagement of the money already available that is wrong. It is not an issue of giving more money but of managing the money provided properly. We cannot open the beds upstairs in Kenmare Community Hospital or those that are needed in Dingle Community Hospital. We need a new hospital in Killarney and Cahersiveen. Tell the patients who are waiting on trolleys for simple procedures in University Hospital Kerry tonight that the Government is making €17.4 billion available to the health service. It cannot manage the money the health service already has available, never mind more. It is a question of management. That is the problem.

The Minister stated we were doing well economically, but I have a message for him. Tell young people who are looking for a house that the economy is strong. Tell it to the young people who are trying to pay a mortgage or for childcare. Tell it to the young couples who are trying to heat and insure their homes. Tell it to farmers who are working so hard and making so little. Tell it to the old people who are afraid to get sick. Tell it to the person who wants to be able to run his or her car, despite the high cost of insurance or fuel which the Government will drive up from midnight. Tell it to the people who are working in the haulage industry and struggling to survive. Tell it to the parents of young people with disabilities whom they are trying to educate and who fall into an abyss once they pass 17 years of age. Tell those parents that the economy is strong. It is not strong for the people I have named.

Simple measures such as providing the necessary coursing licences would save much in rural Ireland. On Sunday evening I attended a meeting of more than 1,000 people from that industry. A simple thing like a Minister having the common sense to issue a licence would save the industry and keep people in employment in which they could make a small amount of money from the sport they enjoy, but no, attack rural Ireland again.

I want more money to be made available to An Roinn Cultúir, Oidhreachta agus Gaeltachta for Gaeltacht areas. Previously, there were departmental grants for road improvement works in Gaeltacht areas. We should be taking better care of mná tí. We recently met Conradh na Gaeilge across the road in Buswells Hotel. It set out what was required to protect and enhance the Irish language and culture in Gaeltacht areas. We should see after the people concerned in a proper fashion, instead of paying them lip service.

More houses should be built in rural areas. In the 1950s, 1960s, 1970s and 1980s when there was little money in the country, people built single cottages in rural areas.

We had great people in County Kerry working in our housing service at the time. I refer to a man who was closely associated with ourselves, John O'Donoghue from Farranfore, who was an excellent employee of Kerry County Council and who oversaw the building of many rural cottages. That has all stopped. One cannot get a single rural cottage built now. I want local authorities to build more houses for communities to take care of the people who are on the housing list. Tax incentives should be given to the private sector to modernise derelict properties and bring them back to life. If people are paying 50% tax, it should be reduced to 20% in order that there will be an incentive to take possession of an old property, renovate it, bring it up to modern standards and then rent it out and take more people off the housing lists.

8 o'clock

We should call in the banks to help young people to buy properties. We bailed out the banks. They were gone, were bust and were finished and the taxpayers of Ireland bailed them out and now they will not give young people a mortgage. I welcome the living city initiative but I would like to see a rural living initiative.

It is another easy target to hit people who are smoking, who want to smoke and who need to smoke. That is their own business. I would be happier if nobody smoked ever again. That said, if people want to smoke, it is horrible and mean to add 50 cent to the cost of cigarettes because in many cases, they cannot afford them and it is a struggle for people to pay for them.

I welcome the extra gardaí that are being made available but why did the Government close down Garda stations in rural areas in the first instance? In the health area, more home help hours and more home care is needed. I am not happy with what has been proposed here today because it is simply not enough.

Many old age pensioners were really looking forward to getting €5 in the old age pension but they did not get it. They are so disappointed. They are the people for whom we should have nothing but respect because they are the ones who brought us into this world and we want them to be able to enjoy their retirement, which they richly deserve.

Many of the small schools in the county I represent, County Kerry, are struggling. I go to see them on a regular basis. Many schools are inadequate and do not have enough teachers. I studied closely the proposals on schools and I am not happy because they do not go far enough.

The Government starting hyping the over-70s medical card last night. A Minister was sacked one time when he revealed the contents of a budget a couple of days before budget day but now it is the done thing that the entire budget is given out because the Government tries to play the media to its advantage. It did that last night by talking about the over-70s medical card. The over-70s medical card is like the three-card trick; now you see it, now you do not. Even though the means test was increased by a very small amount, when medical conditions are not taken into account, one could be over 70 and be a small little bit over the amount and one will not get the medical card. That is a horrible, mean thing.

We need more infrastructure in County Kerry. We need the Macroom to Ballyvourney by-pass to be opened up to allow access to the county. We need the Adare bypass to be completed to allow access to the county. A bypass is also needed for Killarney town to allow the quick and easy movement of traffic from one side of the town to Tralee and Listowel. We also need the Muckross to Lissivigeen inner relief road to be put in place. We need that type of infrastructure in County Kerry because we have to fight in order to survive. It is a constant fight with the Government to try to get it to remember that there is a County Kerry, there is a life outside of the Red Cow roundabout and I hope to God it will eventually wake up to realise that too.

Deputy Danny Healy-Rae: I am pleased to get the opportunity to speak on the budget. I got a clear message from 1,000 people on the budget and the economy of Kerry at Limerick racecourse last Sunday evening. It was to ask the Minister for Culture, Heritage and the Gaeltacht, Deputy Madigan, to sign the hare coursing licence on which so many people in the south of the country, especially Kerry, Limerick and parts of Cork, depend. I ask the Government to sign the licence, which will cost it nothing. If it is not signed this week, it will be too late.

We already had a carbon tax, which the Government has now increased. It is very clear that, by and large, this tax will have to be paid by the people of rural Ireland, such as the people of Kerry whom I represent. One cannot travel anywhere in County Kerry without a car. We have very little public transport. I have a message for another Minister, the Minister for Transport, Tourism and Sport, Deputy Ross, on the one bit of public transport that we have. The ticket office in the bus station in Killarney is closed and people have nowhere to stand in out of the rain when waiting for a bus. There is no information centre now. There was a little shop but the woman who ran it retired last Saturday. The people of Killarney and visitors to the town no longer have a ticket office and they must get their ticket on the bus. That is totally unsatisfactory. I call on the Minister to wake up and to address the problem tomorrow and not the day after.

We were told the carbon tax would be ring-fenced to help low-income people and to insulate their homes to improve energy efficiency. Now we are learning what the carbon tax is for. I do not begrudge the people of the midlands fair play or jobs but it is clear that this is to make up for the loss of jobs in Bord na Móna and the closure of the valuable power plants. They should not have been closed until the Government had something to replace them. We have been waiting for the Government to introduce a policy for solar energy farms. Many people have planning permission but there is no infrastructure in place to allow them to connect to the grid. Neither has any provision been made to pay people if they provide alternative energy. Other countries have hydroelectric schemes to provide electricity. We could utilise many of the streams and rivers in the country but the Government will not let us clear the rivers as it is. The question is where are we going.

It is a fact that a diesel car is the most efficient and dependable one in which to travel. The Minister referred to providing more charging points and infrastructure around the country, but even if there are enough charging points, we will not have enough electricity because the Government is closing down the power plants and not making up the deficit in any real way. The people of rural Ireland especially will have to carry on in the meantime. They will have to go to work, take their children to school and do all the normal things and they need a reliable car. The suggestion that people should park all the diesel cars at this point and get electric cars is not on and is not workable at present.

No recognition is given to the people who get up early in the morning. There was much talk about those who eat their dinner in the middle of the day. Many of them now do not have the time to eat any dinner but they must pay 52% tax. That is hurting many people. Many young people are complaining that there is no incentive to work hard as they are then asked to pay 52% tax. No recognition is given to those people in the budget.

When it comes to health, more people than ever are on trolleys. As Deputy Michael Healy-Rae said, we have hospitals in Kerry that are only half open. They include the hospitals in Kenmare and Dingle, while at the same time there are numerous people in beds and on trolleys, waiting to get a bed, in University Hospital Kerry in Tralee, yet no attempt is being made to fully open those hospitals. I have been asking for that since I came here four years ago and Deputy Michael Healy-Rae had being asking for it prior to that. As for home help, it is an absolute disgrace that people who served this country well and got us to where we are face such difficulties with accessing home help. People have been waiting since last May for home help hours. That is a shame and a downright disgrace. The members of this Government should hang their heads in shame for allowing that to happen. People have waiting for the chance to avail of the fair deal scheme so that they can progress to nursing homes. The Minister is really good at doing things that we do not want. To give one example, druggies have to be caught a third time before being arrested. The Minister initiated that policy and he ordered it on the spot while we were on holidays. That was no bother to him. It is a shame. The situation would be worse without the buses we take to Belfast. We have taken almost 1,000 people there now and the story is to go to Belfast or go blind. It is a bad reflection. One of the first men I took up to Belfast two years ago had been waiting for seven years. That man's grandfather had his cataracts removed in the hospital in Tralee in 1968.

Turning to social welfare, there has been no rise for old age pensioners. Again, those are the very people who got us where we are today. Everything else, such as fuel, is going up in price. It has been stated that the price of home heating oil will not be affected until May 2020. The old-age pensioners, however, are not going to get the €5 rise in their pensions to which so many of them had been looking forward. They depend on it greatly as they do not have any other income. They are very protective of the pension and many of them will be very hurt at the lack of an increase in the payment. I welcome the increase in the income qualification cap for medical cards for those aged over 70. Another group of pensioners, however, also qualify for that payment at the age of 66. Many of those people, up to the age of 70, do get sick unfortunately and they need a medical card as well. The income threshold for that group has not risen at all. It is unfair that those people who worked so hard will not qualify for a medical card. I also requested one other small thing several times, which is that when a medical card is granted, it should be effective from the date of application. That is not happening. I am asking for that measure because many people in rural Ireland do not make any provision for their health until they actually get sick.

Turning to agriculture, after all that has happened and all the protests, there has been no recognition of the problems of the suckler and beef farmers. At present, they are not even covering their costs. The increase in the diesel price will hurt them even more. The increase in the stamp duty is also a shame. IBEC has been telling us that we have the lowest level of capital infrastructural projects. Access into our county of Kerry is strangled because of the delay with the Macroom-Ballyvourney bypass, as well as the Killarney bypass. We need those projects to keep the movement-----

Acting Chairman (Deputy Frank O'Rourke): The Deputy's time has elapsed.

Deputy Danny Healy-Rae: I need just a second on the issue of hotels. The increase by 4.5% in the VAT rate last year has led to a downturn of at least 20%. The fall in the value of sterling has also adversely affected visitors from the United Kingdom.

Acting Chairman (Deputy Frank O'Rourke): We have time constraints. I thank the Deputy.

Deputy Danny Healy-Rae: I will just state that in relation to insurance, there has been no word about the cost of insurance.

Acting Chairman (Deputy Frank O'Rourke): I thank the Deputy. His time is up.

Deputy Danny Healy-Rae: There has also been no recognition of the difficulties faced by hauliers. Moving on to the subject of housing-----

Acting Chairman (Deputy Frank O'Rourke): I thank the Deputy once more. That concludes his time. I am moving on to the Social Democrats and Green Party-----

Deputy Danny Healy-Rae: The Minister himself admitted the problem by stating that there are only half the number of workers-----

Acting Chairman (Deputy Frank O'Rourke): Please, Deputy.

Deputy Danny Healy-Rae: ----- in the construction trade as there were in 2008.

Acting Chairman (Deputy Frank O'Rourke): I thank the Deputy. He should take his seat and he must respect the Chair and the timing. We move now to the Social Democrats and the Green Party and Deputies Shortall, Catherine Murphy, Eamon Ryan and Healy. The four of them are sharing time.

Deputy Róisín Shortall: There are three of us. I am sharing time with Deputy Eamon Ryan and Deputy Healy, with the agreement of the House.

Acting Chairman (Deputy Frank O'Rourke): That is fine. The time can be divided out equally.

Deputy Róisín Shortall: Political debate in recent years, in this House and in the country generally, has been dominated on the Government side by the twin issues of Brexit and climate change. Those issues pose major challenges for the country, particularly the uncertainty regarding Brexit. It is impossible to forecast what is going to happen next week with that issue, let alone next year. I recognise fully the major challenges those issues pose to the country. It is difficult not to think, however, that they have been used by the Government as cover to continue ignoring major and important domestic issues affecting many people.

I refer in particular to housing and the housing crisis, the major problems in the health service and the high cost of living with which most people are trying to cope. The Social Democrats have stated umpteen times that if the Government set out to reduce the cost of living, that would address many other problems. The failure to control the cost of housing, whether rental or purchase, is a major driver of the high cost of living. The same can be said of the high costs associated with accessing healthcare, whether in the public system or the private sector via health insurance.

Other areas such as childcare, the cost of energy, etc. all contribute to producing a cost of living that is unaffordable for many people. The Government has studiously avoided addressing these issues in recent years. It has been hard to get the Government to engage with us on these challenges. This budget has shown the continuation of that kind of approach. The Government has used Brexit, in particular, as an excuse for not addressing other pressing problems. Consequently, this budget means that many people are going to be left behind. It does no service either to the issue of Brexit or climate change. The public has lost confidence in the Government's ability to address these domestic issues.

None of these domestic matters is more apparent or starkly highlighted than what has been done in respect of welfare. There was much preparation of the public mood in recent weeks regarding the Government's intention to not increase social welfare payments by €5 a week across the board, as has happened in recent years. We did not, therefore, expect that to happen today, given that advance flagging. Everybody, however, expected that there would at least be a cost of living increase. I refer to the Government ensuring that the welfare rates would keep pace with the cost of living. It is incredible that the Government has failed to do that. The failure to ensure that welfare rates were inflation-proofed may mean that given the likelihood of inflation going up by 1.3% or 1.4% next year, in real terms that will be a cut for pensioners and anybody dependent on a welfare payment. For example, take a couple of 67 or 68 years of age who are receiving the contributory old age pension. That couple will effectively suffer a loss of over €6 per week next year as a result of the Government's failure to inflation-proof welfare charges. It is emerging and becoming apparent that this is one of the most regressive budgets since the austerity years. That is a surprise, given all the noise we heard from Fianna Fáil, particularly from Deputy O'Dea, who was talking about his determination to secure a €5 increase. It is amazing that Fianna Fáil has gone along with this failure to address the inflationary aspect of welfare payments. I do not know how it can justify what it is doing and the idea that welfare recipients, pensioners and others will suffer a loss next year.

Added to that is the question of the carbon tax and how that will impact on people. We know the UN sustainability goals require states to tackle the issue of climate change, but also to prevent poverty. Those twin aims have to underpin any approach taken on climate change and carbon tax but that has not happened this time. We have a €6 per tonne increase in the carbon tax, with no offsetting measures of any consequence. We in the Social Democrats have said clearly that while the principle of a carbon tax is fine, unless there is a clear plan to mitigate the worst impacts of the carbon tax on those on low and modest incomes, it is impossible to support it. We have seen a tokenistic approach to mitigating the impact of carbon tax today. The Government is talking about introducing a €2 per week increase in the fuel allowance. That will help one in five households but nothing has been done for the other households that will be affected by this. Despite the Minister of State's promises to review the situation and to carry out a review of energy poverty, as was requested by the all-party committee, at no point did he sit down and speak to organisations such as the Society of St. Vincent de Paul to find out what is the best way of ensuring that people who are currently experiencing fuel poverty are not further penalised by this measure. He has utterly failed to ensure there is the necessary balance in the increase in the carbon tax to ensure the carbon tax does not impoverish large numbers of people. It damages the principle of a carbon tax when it is not done fairly.

On housing, which is in the Minister of State's area, nothing is being done for renters while rents are going through the roof and escalating at an enormous rate. We have called for a nationwide cap on rent increases. The Minister of State has steadfastly refused to do that. We have called for the rent pressure zone to be extended to the entire country and the Minister of State has refused to do that. There is a large generation of people trapped in rental accommodation, with little to no prospect of them ever being able to get out of that. Again, high rents are a huge driver in the high cost of living.

I refer to the area of disability. It is interesting that the Minister of State, Deputy Finian McGrath was talking about the medical card increases for people over 70 years of age. He would be much better off concentrating on his area of disability, where the independent review group has identified a major funding shortfall for all of the non-profit organisations that provide 80% of disability charges. The word "disability" was hardly mentioned by the Minister for Finance and Public Expenditure and Reform, Deputy Donohoe, today, and that is a measure of the lack of priority this Government attaches to the area of disability.

I want to ask the Minister of State if the budget has been poverty-proofed? I have not heard anybody talking about that. There is no indication from the measures set out today that it has been poverty-proofed. As I said earlier, I contend this budget will be found to be regressive because of the kind of measures it contains.

I want to talk about what the Minister for Finance, Deputy Donohoe, announced today about REITs. Those of us on this side of the House have said for a long time that it is indefensible what the Government is allowing the real estate bodies, the investment trusts and the REITs to do. There has been no attempt to find out how these vehicles operate and there has been no attempt to establish what they are costing us. Like so many tax breaks this Government has introduced, the standard reply when we ask for details of these tax expenditures and how much they are costing us, is that the data is not collected. That is the standard response we have been getting when we ask about the IREFs and REITs. It is quite extraordinary that the Minister for Finance and Public Expenditure and Reform, Deputy Donohoe, should say today that: "I have instructed my officials to intensely scrutinise activities in the IREF regime over the coming year". That begs the question of why on earth the Minister has not been doing that all along. It has been the most blatant tax-avoiding activity that has been encouraged by this Government. We have seen representatives of both of those types of vehicles express amazement that there is so much money to be made out of the Irish rental sector and not believing their luck with the blind eye the Government has been showing to them. It is incredible that it is only at this stage the Minister is saying he will get his officials to examine it. It is not before time and I am concerned at the level at which the Government is pitching in terms of finally looking to bring those vehicles into the tax system.

The other area that is indefensible is that of the special assignee relief programme. I raised this with the Minister for Finance, Deputy Donohoe, last week. It is indefensible to have such a system. It is a tax break whereby one has to have a minimum income of €75,000 per year. It is unacceptable to allow people in that income category to get a tax-free relief on 30% of their income. That is in addition to the other benefits they accrue with their accommodation and their children's private schooling. The employee must be on a salary of €75,000 per year to qualify. This was introduced in 2012 and was due to expire at the end of 2017 but it was later extended. This scheme is grossly unfair and is a slap in the face to people on low and moderate incomes who are paying high levels of tax. There is no justification for it. The Government should not be subsidising significant salaries when there are so many other priorities for taxpayers' money. It is outrageous that ordinary taxpayers are funding a scheme to provide a tax break for people who are earning so much money, who are already comfortable in their lifestyle and who are well-off. There is no justification for it and the scheme should be scrapped. Many of us have called for the scheme to be scrapped and, regrettably, in today's budget, the Minister announced that he is extending it.

For the next few minutes I want to raise the health provisions included in the budget. I will start by welcoming one important initiative, the decision to allocate funding for the employment of an extra 1,000 therapists and other front-line health workers. That is a very important development. It will certainly assist in what we have been talking about for years, namely, switching activity away from acute hospitals to primary and community care centres. There are huge gaps in services, as we know only too well. It is really important that when the new posts are allocated, they be allocated transparently. The Department of Health has something called a resource allocation model. I established it when I was in the Department in 2011 and 2012. It measures where the existing posts are and ensures each health area is weighted in terms of population, socioeconomic and age profile, rurality and other factors. This allows a clear picture of the country in order that posts can be allocated on the basis of need. Looking at the figures for psychologists, speech and language therapists, physiotherapists, therapists of all kinds, public health nurses and psychologists, one sees very wide variations in how posts are allocated. Too often, unfortunately, posts are allocated on the basis of political considerations. We need a commitment that the additional 1,000 posts, which are very welcome, will be allocated on the basis of need and in an objective manner. That means attending to all of the "catch-up counties", as we call them, the areas where there is a growing population. I refer to the commuter belt around Dublin, Cork, Galway and other parts of the country. There must be clear recognition of the growing demand for services in development counties. Resources should not be allocated on historical grounds. That is a really important point.

Notwithstanding that welcome development, we do not see any serious commitment to implementation of Sláintecare in the budget. The Government was handed a ten-year roadmap, agreed to by all parties, for the reform of the health service to achieve what all other European countries had - a universal single-tier health service. It will not come cheaply and nobody is claiming that it will. Considerable investment will be required at an early stage to achieve the step-change to a lower cost model of care. That is the only way to reform the health service. Unfortunately, most of what we have got from the Government, particularly the Minister, is lip service to the implementation of Sláintecare. I also note that some of the measures in the budget for which Fianna Fáil pushed actually work against Sláintecare. I draw attention particularly to the National Treatment Purchase Fund which is a stopgap measure that actually compounds the dysfunction in the health service. It incentivises the movement of public work away from public hospitals where the funding is provided to private hospitals or private consultants. That results in a double payment for public patients. It is a bad move which does not do anything to reform the health service; in fact, it compounds the problems in many ways.

I also wish to mention something that Fianna Fáil is again claiming as an achievement - the additional 1 million homecare hours. The provision of 1 million homecare hours will cost about €25 million. The demand from Family Carers Ireland, based on the existing level of provision and existing waiting lists, is for €110 million. There are 7,200 older people who have been assessed as being in urgent need of homecare and have been left on waiting lists. That is the level of funding required to address this issue. Doing so makes sense, not only to respect the needs of older people but also to ensure acute hospitals become more efficient. It is a missed opportunity.

Deputy Eamon Ryan: The budgetary process is important to long-term thinking about where we are going as a country. It starts with recognising that to have a secure long-term future and develop and progress as a country, we need a secure economy. We need to avoid what we saw happen in the 1980s and mid-2000s, a budget or financial crash which hinders our ability to do anything. As such, the first consideration in the budget is the macroeconomic picture. In that regard, it has been very useful to be a member of the Committee on Budgetary Oversight. We have been well served by the Parliamentary Budget Office and frequent presentations from the likes of the Irish Fiscal Advisory Council. It is a difficult dilemma for any Government to determine the correct macroeconomic strategy for an economy that is nearly overheating, that has seen a significant increase in employment and in which significant blockages are appearing in the provision of housing, public transport, water and other services. There is a real question about the best approach. We must certainly be very wary of further stoking an economy that, relative to that of any other European country, has been growing at full steam. At the same time, we face a potential no-deal Brexit, gathering clouds in the global economy owing to trade wars and the natural economic cycle, which suggests we are facing a downturn. This assessment is a difficult balancing act.

We must reiterate that our choices in that regard have been very much hindered, as the Irish Fiscal Advisory Council states, by the lack of management of the public accounts in the last three years. That body has been scathing about the failure of the system, including both the Government and the Department, to properly estimate and account for what actual spending would be from year to year. The Government started the budgetary process in recent years by stating it would spend €72 billion, only to announce a year later that it had spent €82 billion. That €10 billion fillip came from an unexpected rise of €5 billion in corporation tax receipts and the public purse saving €5 billion owing to a cut in interest rates. It was mostly frittered away in cost overruns that had never been properly predicted or even included in the budgetary process. Last year saw Supplementary Estimates after the budgetary process which completely threw any analysis of the overall economic position into the bin. This year will see the same.

It is important to take into account the current advice of the Irish Fiscal Advisory Council. It states we should not have done what we did during the last three years. We should have allowed ourselves greater room for a counter-cyclical economic position. Although no one is certain, the Irish Fiscal Advisory Council's best assessment is that even with a no-deal Brexit, we will not face an actual recession. There may be a severe dampening down of the economic growth we have seen in recent years, but the council does not predict a recession. However, it could be wrong in that regard. The Minister of Finance has made a political assessment that the political damage caused by a no-deal Brexit will be such that it is best to ignore the advice of the Irish Fiscal Advisory Council. Let us be honest. That is what is happening. We set up this body up to learn the lessons of the past, but we are now ignoring the advice of the institutions we set up to protect us. The Minister is doing this for political reasons. He fears that the effects of a no-deal Brexit will be so disastrous for the country that even if the Irish Fiscal Advisory Council is right and it does not lead to an outright recession, this is still the right political response. It is a fine judgment call and we will have to wait and see whether he or the Irish Fiscal Advisory Council will be proved right. It would help in this regard if the Department or the Minister came out with much greater clarity on what exactly is being spoken about. Is it a €1.2 billion or €1.5 billion increase in spending beyond what was expected because of the Minister's fears of the effects of a no-deal crash-out Brexit? I would like to know exactly by how much he intends to increase borrowing to cover that additional expenditure. When exactly does he intend to crack into the money that would have gone into the rainy day fund, the €500 million that he has intimated will not go into the fund? I believe it will be in the latter part of this year.

I believe some elements in Fine Gael have been critical of the Opposition for not being clear on our position on how to manage a no-deal Brexit. To be honest, that is a bit rich because even after the Minister's Budget Statement it is not clear exactly where the money is coming from and at what point or what time we will react with a supplementary budget. It might be more honest and more economically prudent to say we will have a supplementary budget rather than trying to predict it all here and now. If we are going to have such a supplementary budget and if a no-deal Brexit occurs and the economic consequences are so immediately devastating that it pushes us into recession, we should then press the borrowing button and we should go for a countercyclical economic strategy. We should do this at scale and in a way that meets some of our other objectives. We should do it and use it as an opportunity for a massive expansion in what is called internationally a green new deal. Our countercyclical or stimulus package in response to a downturn recession should invest in infrastructure and services that help us deliver one of the other key challenges the budget sought to deal with, which is to shape and position ourselves to tackle climate change.

There are two stories in the budget. One is Brexit, as with everything, and the other is the approach to climate change. In this regard, I very much regret the Government has not proceeded with what the Taoiseach clearly indicated was his preferred position, which was to use the revenue from any carbon tax to provide a *per capita* dividend back to our citizens. I am all the more convinced that should have been, and may in the future be, the right approach to further increases in carbon tax. We are busy with committees and very good evidence has been presented to the Joint Committee on Climate Action by the ESRI and the Society of St. Vincent de Paul to show that using a dividend approach, through a fee and dividend, that is, a cashback or a direct payment through the social welfare system and through the tax system, is absolutely the best way of achieving the objective Deputy Shortall set out, which is to make sure we get a just transition. We would meet all the sustainable development goals, we would decarbonise and we would tackle social justice at the one time.

The Society of St. Vincent de Paul and the ESRI were absolutely clear this is the best way to protect all of our people. The benefit is that everyone would get it and in particular, those in the lower-income deciles would be net beneficiaries. There may be individuals with slightly different characteristics but by and large, the Society of St. Vincent de Paul and the ESRI were convinced from the detailed analysis that this would be the best way to do it. No alternate analysis has been done to show how the approach the Government is taking, through an increase in the fuel allowance, works in a real detailed way. We know it will not provide full cover for those suffering fuel poverty. We know it will not deal with those families or individuals who are what is called the working poor and who are not able to avail of the fuel allowance or with many people in the social welfare system who are not long-term unemployed and who would not be able to avail of the fuel allowance system.

For the past six months, we have all known this was coming. The Oireachtas Joint Committee on Climate Action asked for specific analysis to be done. The Department of Finance failed to produce the fuel poverty analysis we sought. The public consultation process to assess the two options we were looking at, one being the option roughly set out in the budget today and the other being the dividend, was one of the worst I have ever seen. We asked it to look at two options and it asked people to look at nine. There was no analysis or sharing of the ESRI evidence that was readily available to the Department of Finance. It was as if it just wanted to get the money and get over this mad idea of returning the money to the people. I very much regret this.

The budget is not all bad with regard to the carbon elements. I welcome the agreement to set up a just transition commissioner. I ask the Government to think again about the legislation we presented three weeks ago, which set out in a very good detailed legislative framework how to set up how to set up such a mediation advisory service. It is perfectly fit-to-go legislation to make it happen.

It is welcome that we will invest in social housing retrofits in the midlands. We have always said that is where we should start to build up scale and expertise for the job of retrofitting 1.5 million Irish houses. The just transition commission has a €6 million budget. My main criticism on the climate side of the budget is not with regard to some of the individual elements, it is the lack of scale, urgency and understanding that what we are talking about is system change. A €6 million just transition fund is welcome but compare it to a social welfare budget of €21 billion. If we are serious about this and really want to bring people with us, we must think bigger and act bigger and really go with our convictions as to the initiatives and measures we need to take.

If we look at the money, one third is going on fuel allowance, one third is going to the midlands, which is absolutely appropriate to make sure it is well spent, and one third is going on a mix of smaller measures, all of which on their own are welcome but their scale is not up to the task of the scale of change we need. There is a promise of a new agri-environmental pilot scheme with a €3 million budget. The Department of Agriculture, Food and the Marine will spend more on office equipment next year than it will on this new scheme. If we are serious about it, this is a perfect opportunity to match the response to our climate ambition with our response to Brexit. We should put huge amounts of money into initiatives to help Irish farming as the beef and dairy markets disappear if the UK market goes. This is an opportunity to do the two at the same time and to do it at scale. Sometimes we are right to do pilot schemes to test them, but if it was ten times the size it is, it would be a proper scale of response even in a pilot scheme.

I do not know how many times I have heard the Government announce great transport measures. It will spend €9 million on cycling measures. That amount might get us one urban cycleway but it is €9 million out of a €2.7 billion transport budget. One of the problems with our budgeting process, and this needs to change, is that even if we go into the real details of individual Department allocations, there is no proper transparent analysis of where the money is spent. We lump all of the transport spending into land use transport, which is a very clever and useful way of hiding the fact we do not have a single major public transport project in planning, let alone in construction. There is not one. If the Minister of State could name one I would welcome hearing about it. We are doing a few little bits of bus lanes and cycle lanes but nothing of any scale. We do not have a single public transport project ready to go.

Deputy Damien English: BusConnects. Is that not a big project?

Deputy Eamon Ryan: BusConnects is not even in planning; it is in consultation. Believe me, I have been to 15 or 20 consultation meetings. Those involved are the first to admit it is not even near going to planning. Where is the Navan rail corridor? It is gone. Where is the metro? It is not in planning. Perhaps in a few years' time we might think about starting to build something. As I have said, on the other hand 51 national motorways and roads are being built. At the very back of the budget document, there is a useful piece of analysis showing the projects we have committed to in public private partnerships. In transport, it is all roads. We have committed forward €3 billion to the private sector on roads. They are incredibly expensive with really high interest rates. It is really bad value for money. We received that analysis in the Committee on Budgetary Oversight. Thinking that allocating €9 million for cycling infrastructure is our transport answer to climate change is far from the scale of what we need to change and misses the opportunity to make this a better country for the people. All of the cars on the roads mean gridlock and it will not work. People want to get back into urban planning that allows them to be close to where they work, to walk and cycle safely and to have proper public transport. There is a line in the budget about rural public transport. What is the scheme? What is the plan? I would give it first priority because of the climate challenge we face and the gap in rural public transport, but there is no detail. There is no real commitment other than a line stating the Government wants to do something in that area.

I welcome the allocation of €5 million for re-wetting certain bogs, but if we are taking climate change seriously, it will need to be increased by €100 million, not just €10 million, because we need to change the entire forestry and farming systems in order that we can store carbon, protect biodiversity, get a better price for truly Origin Green food. There is none of it in the budget. There is no system change, just tinkering at the edges. When we look at each of the areas, what comes across is what everyone is saying quietly in the corridors and elsewhere, that this is a government that is tired. After eight or nine years of having Fine Gael in power, it is natural enough that the Government is tiring, but we really get a sense of it now.

In the area of health there is no sense that Sláintecare is being deliverd, as has been said. There is no sense that we are looking at how we are doing, rather than throwing an additional €400 million, €500 million or €600 million every year into a system that clearly is not functioning. There is no real sense of change and that nurses are being given greater responsibilities in order that they can peform procedures doctors would not have to do and that GPs are being given greater responsibilities in order that they can perform procedures that would not need to be carried out in crowded emergency departments. Doctors in hospitals could be given a little more protection from medical negligence claims in order that they would not have to test for every single thing. They should just use their judgment in a slightly more skilful way in order that we would use fewer resources and have better health outcomes. I have no sense that there is that thinking in the Government.

It is the same in the case of housing; there is nothing new. The Minister for Housing, Planning and Local Government, Deputy Eoghan Murphy, is saying his way is the right way, but it is not working. The Government has lost the public, which is why Fine Gael is going down in the polls. One would think that would change, but we have another €80 million for housing assistance payments, which is just subsidising private landlords and doing nothing to bring down rents or address the problem. These are the sectors where allocations have increased.

Education is one of the sectors that has not been mentioned and that has really missed out.

Where is the funding for the third level education sector which is in crisis? The headline figure is a 1% increase, which will not work at a time when our universities are falling down the league tables. While I welcome the use of research and development in some of the universities, it is not on the scale required and not changing the third level education system which is in the deepest crisis.

Similarly, there is a line about a 1% increase in the culture budget. I do not believe there is any increase in the allocation for broadcasting which is connected to culture. The media are in crisis. RTÉ is broke and selling the paintings, but the Government does not seem to be concerned about this. Public service broadcasting is part of the democratic institutions of the State. I do not want us to go down the road of paying subscriptions for everything in an online Internet world. I want public service broadcasting in order that people access free, fair and accurate journalism. The Government does not seem to care that all of our media are in dire straits, including the public service broadcaster.

Last but not least is the biggest question. There is nothing about the new economy. There is nothing about how we might use technology to our benefit, rather than being just a slave to it. There is nothing about how we position ourselves as one of the leading technology countries in the world, which is what this is. There is no sense of direction. What are our ethics? What are our values? What is our position on the key issues such as the development of artificial intelligence, the use of digital data, privacy and so on. If we were really thinking forward for the long term and had a Government that was really sassy and on the ball, we would be all over it and positioning ourselves as the tech centre of the world and a trusted place, but there is none of that. It is the *status quo*. It is a tired Government.

The Minister concluded his Budget Statement by saying: "We have shown that the centre of Irish politics can not only hold but can adapt and change." I wish that were true. We have held, but we are not changing. That is not good enough.

Deputy Seamus Healy: This is a shameful budget. It is deeply regressive, unjust and socially unfair. It exacerbates the rich-poor divide in our society. Fine Gael and the Independent Alliance in government, supported by Fianna Fáil, are pursuing a deliberate policy of favouring a golden circle of the rich and powerful in our society. The budget and Government policy are prefaced by the dishonest claim that the country is in some way badly off. Of course, this could not be further from the truth. Ireland is the eighth richest country in the world. We know that Irish super rich individuals are awash with money. They have made billions out of the crash and the selective recovery. In the budget the Minister has not taken a ha'penny in tax from their obscene wealth. The budget is shameful on the part of Fine Gael, the Independent Alliance and Fianna Fáil. While almost 4,000 children are being irreparably damaged in their formative years in emergency accommodation, this country has the fifth largest number of ultra-wealthy individuals *per capita* in the world, according to a recent wealth study. A total of 2,055 super rich people in the State have wealth in excess of $30 million each. They do not pay a penny in tax on this wealth. The study shows that there are 421 super rich individuals per 1 million adults in the State, placing the Republic ahead of the United States, the United Kingdom, Germany, France, Germany and Japan and behind only the tax havens of Hong Kong, Switzerland, Luxembourg and Singapore.

We also know from the study that the top 10% of wealthy individuals own 58.4% of all wealth; that the top 5% own 46.4% of all wealth; and that the top 1% own 27.3% of all wealth. Referring to this in a recent article in *The Irish Times*, David McWilliams wrote:

> Imagine we decided to introduce a sliding wealth tax of between 0.5 per cent and 5 per cent on wealth, on the top 1 per cent or top 5 per cent ... the State could raise close to a maximum of €20 billion (5 per cent on the top 5 per cent) or a minimum of €2 billion (0.5 per cent on the top 1 per cent).

We also know that the financial assets of the richest 10% are now approximately €50 billion above the Celtic tiger boom level in 2006. This country is very wealthy and has significantly wealthy individuals. We also know, on the other hand, that life on low income is the norm for large numbers of people in Irish society. One in every six lives on an income which is below the poverty line. Based on recent CSO data, that corresponds to a total of 760,000 people. We know that child poverty is the reality for one in every five children in the State, or about 230,000 children, a stark statistic which raises major questions about fairness and progress. Some 110,000 of the working poor are working but living below the poverty line. We know that 44.5% of one-parent families have experienced deprivation and that 28% of the population experience fuel poverty.

9 o'clock

The budget makes families on low and middle incomes, pensioners and social welfare recipients pay for climate change and Brexit, while the obscenely wealthy get off scot free.

The question of climate action and carbon tax is referred to frequently in the Budget Statement. There is no doubt but that, in the words of the Swedish climate activist Greta Thunberg, the house is "on fire". The evidence is clear and irrefutable that the climate is changing owing to human activity. The Government seemed to recognise this in declaring a climate emergency earlier this year, but it has proved that it is not to be trusted in an emergency because it has taken absolutely no meaningful action to avert the crisis. It is similar to its heartless inaction in dealing with the housing and homelessness crisis where it has proved to be worse than useless, in allowing the homelessness figure to rise to over 10,000 for the first time in our history and a generation of children to grow up in hotels, guesthouses, hostels and bed and breakfast accommodation. It is incredibly cynical of the Government to declare a climate emergency and then take almost no action whatsoever. There is no doubt that its climate action plan lacks real credibility. Its decision to block further debate on the Minerals Development (Amendment) (Climate Emergency Measures) Bill 2018 for the duration of this Dáil by invoking the money message procedure is an ill-founded and undemocratic abuse of parliamentary procedure.

There are plenty of meaningful and effective initiatives the Government could enact to help to stop climate chaos, but it has come up with another tax, the carbon tax, which is unjust, unfair and deeply regressive. It is also a tax which serves largely to penalise low and middle income families and people living in rural Ireland, particularly those who have to travel to work by car. When both members of a couple are working but cannot afford to buy a house, how does the Government believe taxing them further will help them to provide for themselves and their children, which is the key tenet of sustainability? Public transport, consistent with the standard needed in commuting to work and school, is not available in much of Ireland outside the greater Dublin area. Surely this is a rudimentary necessity to reduce Ireland's carbon emissions. Proper utilisation, staffing and upgrading of the existing rail network is of urgent importance. The downgrading and elimination of bus routes throughout the country because of "rationalisation" are shameful in the face of this crisis. Having car pool lanes in highly congested areas, similar to the extremely effective quality bus corridors in operation in Dublin, which would discourage single occupancy of cars, is another simple measure which could be taken. What about providing free public transport? This option should certainly be considered. In my constituency, Tipperary, thousands of residents travel to work every day to neighbouring centres such as

Limerick, Shannon, Waterford, Dungarvan, Galway, Athlone, Carlow, Kilkenny and Cork city. Just as many travel to work within the county, while thousands travel into the county to work. There is no alternative to the motor car. Instead of taking several billion euro from the very wealthy to provide cheap, or free, and frequent public transport to reduce carbon emissions, the first thing the Government does is put an extra tax on workers in the name of climate change. It will now tax a person travelling to work from Carrick-on-Suir to Kilkenny, something people do every day, having recently allowed the semi-State bus company to axe the route. The issue of transport needs to be dealt with to deal with the effects of climate change.

There is no justification for the freeze on social welfare payments in the budget. No general increase is provided for. The last time this happened the excuse was the banking crash, now it is Brexit, but the political representatives of the wealthy in our society will always find an excuse to further enrich those who are already wealthy and to oppress the poor. Social Justice Ireland and the Society of St. Vincent de Paul called for an increase of €8 to €9 per week in social welfare payments. It was to cover people like the 760,000 who live below the poverty line, the 110,000 working poor and the 230,000 children living below the poverty line. They have seen nothing but a freeze. There is no increase in child benefit. Social welfare recipients and pensioners have seen a cut in the budget. The value of their payments will be reduced by inflation and it could be significant, depending on the type of Brexit that transpires. There is a €2 per week increase in the fuel allowance, which is supposed to be related to the carbon tax, but it will only affect one in five families. The working poor will get nothing. There is no reference to the minimum wage, while there should be proposals for the introduction of the living wage. There is no justification for the cuts in and the freeze of social welfare payments. That is an indication that the small men, those on welfare payments and low and middle incomes, are paying the price for Brexit and the carbon tax.

There is only a token nod of the head towards the Sláintecare commitments. Next year there will be a continuation of the terminal crisis in the health service, in trundling from day to day, with hundreds of patients on trolleys in corridors and hundreds of thousands on waiting lists. There are more than 500,000 on outpatient waiting lists, 100,000 of whom are waiting for more than 18 months. There are serious delays in carrying out cataract, hip and knee operations. I heard recently of a hospital which had indicated that a urology procedure was urgent but that the delay was 48 months.

I welcome the increase in the limits in qualifying for a medical card for people older than 70 years, but there has been no general increase in the limits in qualifying for a medical card since 2006. Some 25% of those living below the poverty line do not qualify for a medical card. That should be changed immediately. The Minister bragged that the HSE had halved the budget overrun of last year, but he did not tell us that it was operating a moratorium on the appointment of staff, that thousands of posts were unfilled and that there was a moratorium on increasing home help hours. Every day individuals and families contact me and, I am sure, other Deputies seeking home help hours, which are refused daily. The result of the moratorium is the under-staffing and under-resourcing of services.

There is little or nothing in the budget for disability services. A number of people and families who care for children with disabilities have already contacted me, disturbed and upset that disability services have been effectively overlooked in the budget. Such families have to fight continually for services for their children with disabilities. I welcome the increase in the number of special needs assistants, SNAs, but I ask the Minister to ensure there will be a quick procedure for the approval of the posts. Last week I asked a question about providing SNAs for a special school in Cashel. The application was made last March, but a decision was made only last Friday. That should not have happened and the issue should be addressed.

On housing, the budget simply continues the failed policy of the Government, a policy that has created a housing emergency and led to approximately 110,000 people on waiting lists, whether on local authority waiting lists or in receipt of the housing assistance payment. Even these figures are not correct, given that thousands of families, because of the reduction in the income limits for local authorities, find themselves unable to qualify either for the local authority waiting list or a mortgage. As a result, such persons throughout the country will have to pay high rents, which have gone through the roof in recent years. That is what happens when Government policy on public housing is reliant on the private sector. I recall that when the policy was introduced by a Fianna Fáil Government in the early 2000s, I was a member of South Tipperary County Council. I noted at the time that it would create severe problems down the road and, unfortunately, that is what has transpired. We need a declaration of a housing and homelessness emergency and the urgent building of public housing on public land.

Education seems to have been almost forgotten in the budget. I do not mean just at second or third level but also at primary level. It appears that the issues of class sizes, capitation and leadership in primary schools have been completely ignored by the Government.

There are other areas in the budget on which I would like to comment, but I do not have enough time to do so. The recruitment and retention of members of the Defence Forces are creating severe difficulties, as are childcare provision and the payment of a living wage to childcare professionals providing services in childcare centres throughout the country.

As I stated, the budget will ensure ordinary people, pensioners, families on low and middle incomes and social welfare recipients will be forced to pay for climate change and Brexit, while people in our society who are significantly wealthier will get away scot free. The latter should be made to pay their fair share.

Allocation of Time: Motion

Minister of State at the Department of the Taoiseach (Deputy Seán Kyne): I move:

That, notwithstanding anything in Standing Orders and the Order of the Dáil of 1 October 2019, this proposal shall constitute the allocation of time motion for the purposes of that order. There shall be no suspension of sitting prior to the motions for the financial resolutions by the Minister for Finance and Public Expenditure and Reform, which shall be grouped for the purpose of debate in accordance with the following schedule, and the proceedings thereon, and on any amendments thereto, shall, in the case of each resolution, be brought to a conclusion by one question, which shall be put from the Chair not later than the times indicated as follows: Financial Resolutions Nos. 1 and 2, to conclude after 30 minutes; Financial Resolutions Nos. 3 to 5, inclusive, to conclude after 35 minutes; Financial Resolutions Nos. 6 to 8, inclusive, to conclude after 35 minutes.

Question put and agreed to.

Financial Resolutions

Financial Resolution No. 1: Tobacco Products Tax

Minister for Health (Deputy Simon Harris): I move:

(1) THAT for the purposes of the tax charged by virtue of section 72 of the Finance Act 2005 (No. 5 of 2005), that Act be amended, with effect as on and from 9 October 2019, by substituting the following for Schedule 2 to that Act (as amended by section 34 of the Finance Act 2018 (No. 30 of 2018)):

"SCHEDULE 2

Rates of tobacco products tax

(With effect as on and from 9 October 2019)

Description of Product	Rate of Tax
Cigarettes	Rate of tax at—(a) except where paragraph (b) applies, €346.04 per thousand together with an amount equal to 8.91 per cent of the price at which the cigarettes are sold by retail, or(b) €395.05 per thousand in respect of cigarettes sold by retail where the rate of tax would be less than that rate had the rate been calculated in accordance with paragraph (a).
Cigars .... …. …. …. …. ….	Rate of tax at €394.811 per kilogram.
Fine-cut tobacco for the rolling of cigarettes	Rate of tax at €379.831 per kilogram.
Other smoking tobacco .... …. …. …. ….	Rate of tax at €273.903 per kilogram.

".

(2) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

Financial Resolution No. 1 provides for excise duty increases on tobacco products, with effect from 12 midnight tonight. The increase amounts to 50 cent, inclusive of VAT, on a pack of 20 cigarettes in the most popular price category, together with *pro rata* increases for other tobacco products. The price of a pack of 20 cigarettes in the most popular price category, assuming the full increase is passed through to the final retail price, will increase to €13.50. The excise duty component of the price will be €8.12 and the total tax, inclusive of VAT, will be €10.64, which represents 79% of the price of a pack. The *pro rata* increase on the price of a typical pouch of roll-your-own tobacco will increase by 70 cent to €17.70.

Ireland is committed to a policy of high taxation on tobacco to encourage people to quit smoking, particularly younger people. I am pleased to say this policy is working. In 2007, a total of 24% of our people were daily smokers. By contrast, the Healthy Ireland survey figures for June 2018 show that the figure has fallen to 18%. There are now more people in Ireland who have quit smoking than who smoke. Increasing tobacco product taxation is a key public health policy measure to continue the downward trend in smoking rates in Ireland and to help us achieve our goal of having a tobacco free Ireland by 2025. In respect of revenue raising, the increase in tobacco product tax and the minimum excise duty is estimated to contribute €57.1 million in a full year.

Deputy Richard Boyd Barrett: On a point of order, are we debating Financial Resolution No. 1 only?

An Ceann Comhairle: Financial Resolutions Nos. 1 and 2 are grouped and may be discussed together.

Deputy Simon Harris: Financial Resolution No. 2 provides for an increase in the carbon charge component of mineral oil tax on petrol and auto diesel, with effect from 12 midnight tonight. The increase amounts to €6 per tonne of carbon dioxide emissions. Assuming the full increase is passed through to the final retail price, this will result in a VAT inclusive increase of €0.017 on the price of 1l of petrol and €0.020 on the price of 1l of auto diesel. Carbon tax was introduced on a phased basis in 2009, which is important to state. Since its introduction, carbon tax receipts have grown, broadly mirroring the overall economic recovery in Ireland. In order to meet climate change targets, there have been calls for a long-term strategy to increase the carbon tax rate to €80 per tonne of CO_2 by 2030. The current rate of €20 has been place since 2012. There is a commitment in the climate action plan to increase the carbon tax to at least €80 per tonne by 2030 and carry out a full assessment of the trajectory of increases over successive annual budgets. The Joint Committee on Climate Action recommended this approach, subject to the examination of the social and economic impact of rate changes. Setting a long-term trajectory of price increments sends a clear price signal to consumers and production sectors. It will establish a time period for gradual investment in energy efficient measures. With regard to revenue raising, it is estimated that the increase in the carbon tax will contribute €90 million in 2020 and €130 million in a full year.

An Ceann Comhairle: Ten speakers have indicated. If they take two minutes each, it will provide the Minister with an opportunity to respond. I call Deputy Dooley.

Deputy Timmy Dooley: In supporting Financial Resolution No. 1, Fianna Fáil recognises the important role increases in excise duty play with regard to behavioural change in the consumption of tobacco and the associated cost to the Exchequer of treating those with tobacco-related illnesses. The increase proposed is a proportionate and progressive measure aimed at improving public health and reducing public spending on avoidable tobacco-related illnesses.

Fianna Fáil supports the carbon tax increase in Financial Resolution No. 2 from €20 per tonne to €26 per tonne. It is a moderate increase which is in line with recommendations made by the joint committee which suggests carbon charging must reach €30 per tonne by 2030. While Fianna Fáil supports the principle, we were adamant in pre-budget discussions with the Government and at the joint committee that the money raised, which will be approximately €90 million this year, is ring-fenced. It should be provided for in legislation that the money cannot go to the bottom line of the Exchequer. The suggestion in today's budget is that the money will be used to support households which are prone to fuel poverty and communities affected by the winding down of fossil-fuel power generation in the midlands, in particular by Bord na Móna.

It is imperative that the Government gives due recognition to the impact on communities in Clare where Moneypoint has already seen significant electricity-generation job losses. From its response, the Government is clearly not listening to its own members in Fine Gael who should be well aware that there has been a significant reduction in the number of jobs at Moneypoint in the last number of years, particularly in the last 12 months. There are independent contractors who are no longer employed and a redundancy scheme will see a reduction from 200 to close to 100 jobs. Communities in west Clare have been impacted very detrimentally and we need to see them supported in the Finance Act.

Deputy David Cullinane: Sinn Féin will support Financial Resolution No. 1 but it cannot support Financial Resolution No. 2, which proposes an increase in the rate of carbon tax. We oppose the latter for the reason the Minister for Finance and his officials provided at joint committee hearings to the effect that the tax is regressive. It is not going to reduce carbon emissions. We have carbon taxes in the State already and they have not reduced emissions. These increases will make no contribution to the reduction of emissions. We should be honest with people that it is a revenue-raising exercise involving a commitment from Fianna Fáil and Fine Gael to keep increasing the tax right up to 2030. The vast majority of people do not have energy alternatives and what we have heard proposed in the budget today will do nothing for the vast majority of families whose homes are heated by oil or gas. It will do nothing for people who live in rural areas and depend on cars. We do not have public transport for them, which is not something that is going to change for those families anytime soon. Certainly, it will not change under this Government with its lack of investment in those areas. It is a regressive tax. The Minister says he will delay some elements to do with fuels; for example the home heating increase will not be implemented until May 2020 or, to quote him, "until after the winter heating season". Cynics will say it has more to do with the date of the next general election. Whatever about the timing, the increases this year and those signalled for the next number of years represent Fianna Fáil and Fine Gael going again for a regressive tax which will disproportionately hurt those on low and middle incomes. It is not going to work. Sinn Féin supported the sugar tax and the plastic bag levy because people had alternatives which worked. This will not work.

Deputy Brendan Howlin: The Labour Party supports Financial Resolution No. 1, the increase of 50 cent per pack of 20 cigarettes. We accept the view of the tax strategy group that it is unlikely to contribute a great increase in yield because the objective is to reduce demand rather than to get money. In this regard, however, I note that 13% of cigarettes consumed in the State now are illicit. We must be mindful of that. The higher the base price of the legal cigarette, the greater the incentive to smuggle tobacco. We must hear from the Minister that there are robust measures to tackle that. It is also the case that 9% of cigarettes consumed are legally imported by travellers and tourists, a rate which will probably increase. As long as the prices continue to rise, everyone will be asking people to bring them back. We must be mindful as we increase the base price that we are not simply giving our taxes to others and allowing smugglers to thrive.

The carbon tax increase is the first instalment of a trajectory agreed by the all-party committee. While the Labour Party supports it, we want to see clear mitigation measures in line with the joint committee's recommendations. Bluntly, we have not seen those today. We will give the Government some leeway to spell out exactly how it intends to combat fuel poverty. Bluntly again, not having any base rise in social welfare today and not doing anything to implement the recommendations on the minimum wage do not augur well for the Government's view on mitigating poverty, in particular fuel poverty.

Deputy Danny Healy-Rae: I do not support the increase in the price of cigarettes and tobacco even though I do not smoke myself. It is very hard to place an extra cost on people who have to smoke. There are many elderly people who were smoking before any education was available on the effects of cigarettes and it is impossible for them to give up now. This increase will not encourage them to stop and it is not the way to go. It should be education, education and education. I do not like smoking myself and it hurts to see young people doing it. However, this is not the way to go. Tobacco is expensive enough as it is and pensioners got no rise in the budget. As such, this is very unfair.

My views on carbon taxes are well known. There was already a carbon tax on fuel. Diesel is now going up to €1.50 a litre, which is an excessive cost that people will not be able to bear. Working people and people in rural Ireland have no other way to travel but by car or the SUVs that farmers need so much. There is no sound alternative at present. As such, I will call for divisions on both resolutions.

Deputy Sean Sherlock: As regards Financial Resolution No. 1, I ask the Minister for Health to consider the excessive cost of nicotine replacement therapies, including chewing gums and lozenges. There are many people who are not on the medical card scheme and wish to give up smoking through the use of alternative sources of nicotine as they wean themselves off the product. However, the cost of these products is excessive. I ask the Minister to consider reviewing the cost of those products for which pharmaceutical companies are charging an arm and a leg.

Deputy Eamon Ryan: The joint committee has done a good job over the last year. One of the key recommendations on which all members agreed was the need to analyse how the introduction of any carbon tax could be progressive rather than regressive. That involved two requests which, unfortunately, were not met. The first was the carrying out of a fuel-poverty study by the Department of Finance, which did not take place at all, while the second, a consultation process on the dividend model, which would be progressive, and its alternative, which is what we have seen today, was not carried out properly. It was interesting to hear the various debates on the budget today when we had a chance by using that dividend model to meet our social welfare commitments as well as our climate commitments. We could have put the two together. It is deeply unfortunate that chance was not taken. We can come back to it again in future years.

The Green Party supports both motions because it believes in putting a price on pollution but we need to do far more. That is only one small part of the jigsaw that we need to put in place.

Deputy Marc MacSharry: In supporting Financial Resolution No. 2, as my colleague has said, I want to raise a point in the context of coming from rural Ireland and the fact that mitigating circumstances exist for the dependency on fossil fuels in that area. Thought should be given in future legislation to those mitigating circumstances.

I suggest that the Government is in breach of the National Oil Reserve Agency Act 2007 in continuing to level a 2 cent per litre tax increase because the Act is explicit in stating it is for raising funds to cover, but not exceed, the running cost of the National Oil Reserve Agency. Its costs are approximately €100 million per year and there is €250 million per year in that account at the moment. The Government has talked about repurposing that money but that is not in the spirit of the legislation. I ask the Government to look at the potential to give some respite to people by reducing that level from 2 cent per litre to 0.5 cent per litre because that will cover the cost.

Deputy Richard Boyd Barrett: From the feedback I have got from outside this House, people are saying that this budget gave nothing, or less than nothing, to workers, pensioners, students or social welfare recipients but it hit people with increased prices on cigarettes and a regressive and unfair carbon tax. That is the truth. Punishing people for having an addiction is not the way to reduce smoking. Perhaps giving out free Nicorette patches, or whatever, might be the way to do that.

Moving on to the carbon tax, there was another protest outside Leinster House today, as part of rebellion week, which was about a just transition, which is a central pillar of the climate movement. There is nothing just about a carbon tax that hits the pensioner, or the person on a low income who cannot afford to retrofit their home, or who live in a council house and must wait for the council to do it. The budget did not bring in the real climate measures we need but the Government has made another grab at the pockets of ordinary people.

Deputy Paul Murphy: I, and RISE, are completely opposed to the carbon tax. The Government is going to pay a price, politically, for this carbon tax, particularly if it heads towards the figure it wants between now and 2030 by a means of continuous increases, year after year. The reason for that is that it is an unjust, regressive tax on the one hand and, on the other hand, is completely inadequate and, at best, a distraction from what we need to do to tackle climate change.

It is a regressive measure by all objective standards. It hits low income people harder than high income people. That expresses itself in the fact that low-paid workers will not be able to afford to buy electric cars. Low-paid workers often live far away and have to commute to their jobs and have no public transport options.

It is also completely ineffective. Demand for petroleum products is relatively inelastic because of the absence of alternatives provided by the Government. It refuses to invest in proper public transport. International studies demonstrate that a carbon tax will take 110 years to address the climate problem. We do not have that time, we have ten years, and cannot be focusing on these tinkering consumption taxes. We must focus on production, which means keeping the oil and gas in the ground.

Deputy Joan Collins: A lady came into my office yesterday to talk about the fuel allowance. She explained that she had received a letter stating she had been turned down because the means test means the most household income she can have is €338. She is on invalidity allowance and her daughter is on jobseeker's allowance and they were over the threshold by €25.

This woman needed that fuel allowance because she has Crohn's disease and recently had a transplant. She is in mortgage distress because she is the only one in the household now paying the mortgage. She was dependent on that fuel allowance to get access to the warmth and wellbeing scheme. Only one in five families get the fuel allowance. This is a reality for people who are in that situation and this Government did not fuel poverty check this carbon tax. I am opposed to it in general but particularly because that check has not been done.

Deputy Michael Fitzmaurice: A couple of things need clarification. The Minister for Agriculture, Food and the Marine, Deputy Creed, earlier stated that the carbon tax would not affect green diesel. He said this evening that there will be a rebate for farmers. Is that the case? Does that include the €20 per tonne that was previously announced? Will there be a rebate for contractors on the same diesel?

I am shocked at what has been said by some parties here tonight. Everybody knows that people in rural Ireland, middle Ireland, who are trying to pay a mortgage and bring children to school have to use a car. There is not the infrastructure in that neck of the woods. Those people are being unfairly targeted with carbon tax.

I want those two questions I asked addressed.

Deputy Mick Barry: I will speak about Financial Resolution No. 2. The Minister said, in his budget speech, that this measure had cross-party support. That is not the case.

Deputy Simon Harris: It is.

Deputy Mick Barry: We will be asking for a vote on this resolution and I suspect that at least 25% of the Dáil will be in opposition to it. More importantly, I think that many ordinary people will oppose this. They see it as the first tax in a whole series over the next ten years which will put the burden for the climate emergency on their shoulders rather than on the shoulders of the big corporations where it belongs. It is a regressive tax which will hit middle and low-income people and commuters. It is unjust and should be opposed. We need real measures to tackle the climate emergency, such as free public transport.

Deputy Michael Collins: I fully intend to oppose Financial Resolutions Nos. 1 and 2. Each time the budget discussion comes before the House, there is an increase on the duty on cigarettes that affects ordinary people. I do not smoke myself but respect people who have to have a cigarette, on and off. It is difficult for them and a difficult time because many of these people are on pensions and low incomes and now they are hit with a cost of another 50 cent per box of cigarettes.

The carbon tax is a savage blow for the people of rural Ireland and I am shocked that Fianna Fáil is going to support that. This is a complete attack on the people of rural Ireland and nothing else. It must be opposed and I ask every Deputy here to stand by the people of rural Ireland and do not dare to support a further crucifixion of the people of rural Ireland.

Deputy Róisín Shortall: We are required by the UN sustainability goals to tackle climate change and prevent poverty at the same time. We are not doing that with this measure.

The Government has talked about cross-party support. The reality is that the Government has failed to produce the review of energy poverty which was requested by the all-party Oireachtas committee. What the Minister announced today in terms of so-called mitigating measures will only assist one fifth of households in this country because that is how many receive the fuel allowance.

The objective of any carbon tax should be to achieve a change in behaviour but, particularly when it comes to home heating, many people cannot change their behaviour because of the way in which the grant scheme is structured.

I ask the Minister to answer the following. VAT on carbon tax will apply to public transport. Will this result-----

An Ceann Comhairle: The Deputy is over time. Deputy Martin Kenny is next.

Deputy Martin Kenny: I also want to speak to Financial Resolution No. 2. The reality is that most people who live in rural Ireland have no option because they must travel to work. For instance, if a person is working in Sligo town and living in Tubbercurry, he or she has no other way of going to work other than to drive a car. Most of those people are on low incomes and cannot afford an electric car, even if the necessary charging points were in place. That is the reality for most people living out there.

A woman who is working recently came to me. She has an old stone house that is beautiful to look at but very cold. She put new windows into it but cannot afford to insulate it. There is nothing in this budget to provide for her to insulate her home. The Government needs to be doing that first. It must provide the correct options for people. We want people to insulate their homes and use carbon-efficient means of transport but they cannot be penalised for not doing those things unless the Government puts measures in place to provide access for people to use alternatives.

Deputy Michael Healy-Rae: I wish to speak about these two financial resolutions. There are people who are addicted to cigarette smoke and who want to smoke. I do not think we have the right to impose a further tax of 50 cent on a packet of cigarettes. If people want to smoke, that is their business. If the Minister and I do not want to smoke, that is our business but we should not hurt those already hard-pressed people.

I studied the carbon tax with people in my office this evening. It is frightening. If we analyse what it will do, going from €20 to €26 per tonne, and going as far as €80, which is the Minister's aspiration, it will cripple people. It will make it impossible for someone to buy a bag of coal or a bale of briquettes. People will find it impossible to fill their car with fuel. What are they supposed to do? Are they to get up on bicycles, cycle around and rub their hands together to keep warm? The Government must live in the real world. There are young people struggling trying to live but they will not be able to do so with all the taxes that the Government is imposing on them.

An Ceann Comhairle: The Minister has 18 questions to answer. He may do the best he can in the time available.

Deputy Simon Harris: There were a lot of comments anyway. I thank the Deputies for their contributions. On Financial Resolution No. 1, I thought it had been long established in this House that there is a very significant impact by tobacco and smoking on public health policy. We do not just close our eyes to that and say that it is a matter for private individuals. It has an impact on our kids, on our health services, and on society. It has taken far too many mums and dads away from their dinner tables. We know this is a policy that works. Deputy Howlin asked a specific question, which is valid, on what we are doing to tackle the illicit trade in tobacco which is a real problem. He will know about that from his time in government that there have been several legislative changes on this. Tobacco smuggling remains a very high priority area for the Government. The 2018 survey carried out by Ipsos MRBI on behalf of the Revenue Commissioners showed that the percentage of illicit cigarettes has been on a downward trend from 15% of the total consumed in 2010 to 13% in 2018. It is fair to pay tribute to the Revenue Commissioners for their ongoing robust enforcement in this area. It should also be noted that the World Health Organization estimates that 10% of the global cigarette market is illicit. Last year Revenue seized about 68 million cigarettes with a value of €41 million but there is no room for complacency in this area and enforcement will remain a key priority.

Deputy Sherlock raised a very important point about what we can do to help people quit smoking, the cost of nicotine replacement products and so on. I had a very interesting meeting with the Irish Cancer Society on this and I will revert to the Deputy and work with him and the Joint Committee on Health on how we can look at the cost of quitting. The Deputy makes a fair point on that.

The moment of truth is about to happen in this House soon on carbon. It is very easy to back the fluffy, nice-to-do measures that we are in favour of in taking action on climate change. It is quite different to face up to the truth and to say that if we want to do it, it will involve a carbon tax.

Deputy Paul Murphy: The Government should stop the Shannon LPG.

Deputy Simon Harris: It must be the first protest taking place that the Deputy does not feel he can join because he is out touch with the people outside these gates.

(Interruptions).

Deputy Michael Collins: By God, the people of Ireland will let the Government know how out of touch it is. The people of rural Ireland will let him know.

An Ceann Comhairle: Please let the Minister respond.

Deputy Simon Harris: We will get to rural Ireland in a second but there are young people-----

(Interruptions).

An Ceann Comhairle: Please, Deputies.

Deputy Simon Harris: There are young people outside the gates of this House tonight who probably think that we should be doing an awful lot more on carbon tax and yet there is a bunch of people who have never seen a protest before that they did not want to join who are not in line with them.

Deputy Joan Collins: Tax the polluters.

Deputy Paul Murphy: Tax the polluters.

Deputy Simon Harris: The Deputies have no credibility on the matter of climate.

An Ceann Comhairle: Will the Deputies please let the Minister respond? Everyone asked their questions without interruption; let the Minister answer without interruption.

Deputy Simon Harris: The Deputies have no credibility on climate action. It is quite different for Members of this House to rightly say that they are in favour of a carbon tax but scrutinise the Government on what it will do to mitigate. That is quite different from those who come in here and dismiss the idea of a carbon tax because they love to divide.

Deputy Bríd Smith: The Minister just dismissed the idea of stopping exploration.

An Ceann Comhairle: Please, Deputy Smith.

Deputy Simon Harris: I welcome Deputy Smith to the debate. We just had it. In breaking news, climate change effects rural Ireland. When I was Minister of State with responsibility for the OPW, I visited Kerry and Cork South West, which Deputies Danny Healy-Rae, Michael Healy-Rae and Michael Collins represent, and we watched parts of our country begin to fall into the sea and begin to flood. The idea of dividing the country into rural and urban Ireland and that climate change does not affect rural Ireland makes the Deputies out of touch on the issue. They do not speak for rural Ireland.

Deputy Danny Healy-Rae: The Minister will know about rural Ireland very soon.

An Ceann Comhairle: Please.

Deputy Simon Harris: People are asking legitimate questions tonight about what we will do to protect those vulnerable to fuel poverty. It is a really important point. We need to look at the overall impact of a €6 increase on household costs. In the grand scheme of things, it is relatively small but it is fair to say that the burden of increased carbon taxes falls unequally. In lower income homes, it has a bigger impact because they spend more on energy as an overall proportion. To counteract this, more than one third of the funds raised by the increased carbon tax will be devoted to ensuring that the least well-off in society are protected from the increased carbon tax. We are doing this with two measures, including by increasing the fuel allowance by €2 per week which applies from 1 January and means an annual benefit of €56 which will leave the 22% of households which are in receipt of the fuel allowance better off after the carbon tax than they were before it in relation to fuel poverty. The Minister, Deputy Bruton, will increase funding to programmes such as the warmer homes initiative.

I will not be able to go through the measures in the time available, but people have asked what we will use the carbon tax revenue for. There are three categories. The first is the protection of the vulnerable through the fuel allowance and the energy poverty efficiency upgrades, which I have just outlined. Th second is a just transition fund which will allow for aggregated housing upgrade scheme, peatlands rehabilitation and the just transition fund. The third is investing in a low-carbon transition, which includes more greenways, more urban cycling, more continuation of electric vehicle grants, further investment in electric charging points and a commitment to our overseas development aid through the green climate fund. We have announced measures on mitigating.

Deputy Michael Fitzmaurice: Will the Minister answer the question I asked?

Deputy Simon Harris: I will get to that. I am answering them in the sequence in which they were asked. Deputy Dooley asked about the just transition fund. I assure him that we obviously listen to Deputy Carey, the Minister of State, Deputy Breen, and Senator Martin Conway, and Deputy Dooley, as he knows. The Minister, Deputy Bruton, has confirmed that the principles of the just transition fund will have to be provided for beyond just the midlands. It is right and proper that the midlands is a priority area at the moment for reasons the Deputy will understand but those principles will need to apply more broadly than that.

Deputy Timmy Dooley: Is there a commitment about the allocation of funding?

An Ceann Comhairle: Deputy, please.

Deputy Simon Harris: That is a matter for the Deputy to debate with the Minister and a matter for the Finance Bill.

Deputy MacSharry asked about the NORA levy. The Government has decided that it will be used to fund climate action. The Minister, Deputy Bruton, will bring legislation forward shortly on this.

If the Ceann Comhairle will allow me to answer Deputy Fitzmaurice's question, I will say that when a previous Minister for Finance introduced a carbon tax in budget 2012, he made provision for a double income tax relief for farmers to compensate for the increase. This relief will continue to apply.

Deputy Róisín Shortall: What about the carbon tax on public transport?

Deputy Simon Harris: It is not exempt.

Deputy Róisín Shortall: So there will be an increase in fares.

Deputy Simon Harris: Not necessarily.

An Ceann Comhairle: We must move on. We have used the allocated time.

Question put: "That Financial Resolution No. 1 be agreed to."

An Ceann Comhairle: Will the Deputies claiming a division please rise?

Deputies Mick Barry, Richard Boyd Barrett, Michael Collins, Michael Fitzmaurice, Danny Healy-Rae, Michael Healy-Rae, Paul Murphy and Bríd Smith rose.

An Ceann Comhairle: As fewer than ten Members have risen I declare the question carried. In accordance with Standing Order 72 the names of the Deputies dissenting will be recorded in the Journal of the Proceedings of the Dáil.

Question declared carried.

Financial Resolution No. 2: Mineral Oil Tax

Minister for Health (Deputy Simon Harris): I move:

(1) THAT for the purposes of the tax charged by virtue of section 95 of the Finance Act 1999 (No. 2 of 1999), that Act be amended, with effect as on and from 9 October 2019—

(a) in section 96(1B), by substituting "A is the amount to be charged per tonne of CO2 emitted, being €26 in the case of petrol, aviation gasoline, and heavy oil used as a propellant or for air navigation or for private pleasure navigation, and €20 in the case of each other description of mineral oil in Schedule 2A" for "A is the amount, €20, to be charged per tonne of CO2 emitted",

(b) by substituting the following for Schedule 2 to that Act:

"SCHEDULE 2

Rates of Mineral oil tax

(With effect as on and from 9 October 2019)

Description of Mineral Oil	Rate of Tax
Light Oil:	
Petrol …. .... …. …. …. …. ….	€601.69 per 1,000 litres
Aviation gasoline …. .... …. …. …. …. ….	€601.69 per 1,000 litres
Heavy Oil:	
Used as a propellant …. .... …. …. …. ….	€494.90 per 1,000 litres
Used for air navigation …. .... …. …. ….	€494.90 per 1,000 litres
Used for private pleasure navigation ….	€494.90 per 1,000 litres
Kerosene used other than as a propellant ….	€50.73 per 1,000 litres
Fuel oil …. .... …. …. …. …. ….	€76.53 per 1,000 litres
Other heavy oil …. .... …. …. …. …. ….	€102.28 per 1,000 litres
Liquefied Petroleum Gas:	
Used as a propellant …. .... …. ….	€96.45 per 1,000 litres
Other liquefied petroleum gas ….	€32.86 per 1,000 litres
Vehicle Gas: …. .... …. …. …. …. ….	€9.36 per megawatt hour

”,

and

(c) by substituting the following for Schedule 2A to that Act:

“SCHEDULE 2A

Carbon Charge

(With effect as on and from 9 October 2019)

Description of Mineral Oil	Rate
Light Oil:	
Petrol …. .... …. …. …. …. ….	€59.85 per 1,000 litres
Aviation gasoline …. .... …. …. …. …. ….	€59.85 per 1,000 litres
Heavy Oil:	
Used as a propellant …. .... …. …. …. ….	€69.18 per 1,000 litres
Used for air navigation …. .... …. …. …. …. ….	€69.18 per 1,000 litres
Used for private pleasure navigation ….	€69.18 per 1,000 litres
Kerosene used other than as a propellant ….	€50.73 per 1,000 litres
Fuel oil …. .... …. …. …. …. ….	€61.75 per 1,000 litres
Other heavy oil …. .... …. …. …. …. ….	€54.92 per 1,000 litres
Liquefied Petroleum Gas:	
Used as a propellant …. .... …. ….	€32.86 per 1,000 litres
Other liquefied petroleum gas ….	€32.86 per 1,000 litres
Vehicle Gas: …. .... …. …. …. …. ….	€4.10 per megawatt hour

”.

(2) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

Question put: "That Financial Resolution No. 2 be agreed to."

The Dáil divided: Tá, 97; Níl, 36; Staon, 2.		
Tá	***Níl***	***Staon***
Aylward, Bobby.	***Adams, Gerry.***	***Murphy, Catherine.***
Bailey, Maria.	***Barry, Mick.***	***Shortall, Róisín.***
Barrett, Seán.	***Boyd Barrett, Richard.***	
Brassil, John.	***Brady, John.***	
Breathnach, Declan.	***Broughan, Thomas P.***	
Breen, Pat.	***Buckley, Pat.***	
Brophy, Colm.	***Collins, Joan.***	
Browne, James.	***Collins, Michael.***	
Bruton, Richard.	***Connolly, Catherine.***	
Burke, Peter.	***Crowe, Seán.***	
Butler, Mary.	***Cullinane, David.***	
Byrne, Catherine.	***Ellis, Dessie.***	
Byrne, Thomas.	***Ferris, Martin.***	
Cahill, Jackie.	***Fitzmaurice, Michael.***	
Calleary, Dara.	***Funchion, Kathleen.***	
Canney, Seán.	***Harty, Michael.***	
Cannon, Ciarán.	***Healy-Rae, Danny.***	
Carey, Joe.	***Healy-Rae, Michael.***	
Casey, Pat.	***Healy, Seamus.***	
Cassells, Shane.	***Kenny, Martin.***	
Chambers, Jack.	***McDonald, Mary Lou.***	
Chambers, Lisa.	***Mitchell, Denise.***	
Collins, Niall.	***Munster, Imelda.***	
Corcoran Kennedy, Marcella.	***Murphy, Paul.***	
Cowen, Barry.	***Naughten, Denis.***	
Creed, Michael.	***Nolan, Carol.***	
Curran, John.	***O'Reilly, Louise.***	
D'Arcy, Michael.	***O'Sullivan, Maureen.***	
Daly, Jim.	***Ó Broin, Eoin.***	
Deasy, John.	***Ó Caoláin, Caoimhghín.***	
Deering, Pat.	***Ó Snodaigh, Aengus.***	
Doherty, Regina.	***Pringle, Thomas.***	
Dooley, Timmy.	***Quinlivan, Maurice.***	
Doyle, Andrew.	***Smith, Bríd.***	
Durkan, Bernard J.	***Stanley, Brian.***	

English, Damien.	***Tóibín, Peadar.***	
Farrell, Alan.		
Fitzpatrick, Peter.		
Flanagan, Charles.		
Fleming, Sean.		
Grealish, Noel.		
Griffin, Brendan.		
Halligan, John.		
Harris, Simon.		
Haughey, Seán.		
Heydon, Martin.		
Howlin, Brendan.		
Humphreys, Heather.		
Kehoe, Paul.		
Kelly, Alan.		
Kenny, Enda.		
Kyne, Seán.		
Lahart, John.		
Lowry, Michael.		
MacSharry, Marc.		
Madigan, Josepha.		
Martin, Micheál.		
McConalogue, Charlie.		
McEntee, Helen.		
McGrath, Finian.		
McHugh, Joe.		
McLoughlin, Tony.		
Mitchell O'Connor, Mary.		
Moran, Kevin Boxer.		
Moynihan, Aindrias.		
Moynihan, Michael.		
Murphy O'Mahony, Margaret.		
Murphy, Dara.		
Murphy, Eoghan.		
Murphy, Eugene.		
Naughton, Hildegarde.		
Neville, Tom.		
Noonan, Michael.		
O'Brien, Darragh.		
O'Callaghan, Jim.		
O'Connell, Kate.		
O'Dea, Willie.		

O'Donovan, Patrick.		
O'Dowd, Fergus.		
O'Keeffe, Kevin.		
O'Loughlin, Fiona.		
O'Rourke, Frank.		
O'Sullivan, Jan.		
Ó Cuív, Éamon.		
Phelan, John Paul.		
Rabbitte, Anne.		
Ring, Michael.		
Rock, Noel.		
Ross, Shane.		
Ryan, Brendan.		
Ryan, Eamon.		
Scanlon, Eamon.		
Sherlock, Sean.		
Smith, Brendan.		
Smyth, Niamh.		
Stanton, David.		
Troy, Robert.		

Tellers: Tá, Deputies Seán Kyne and Tony McLoughlin; Níl, Deputies Aengus Ó Snodaigh and Richard Boyd Barrett.

Question declared carried.

Financial Resolution No. 3: Stamp Duties - Section 126AA Bank Levy

Minister for Justice and Equality (Deputy Charles Flanagan): I move:

> (1) THAT section 126AA of the Stamp Duties Consolidation Act 1999 (No. 31 of 1999) be amended in subsection (6) by substituting "170 per cent" for "59 per cent".
>
> (2) THAT paragraph (1) of this Resolution shall apply in relation to a statement to be delivered in accordance with section 126AA(2) of the Stamp Duties Consolidation Act 1999 for the year 2019 and each subsequent year.
>
> (3) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

Financial Resolution No. 3 amends section 126AA of the Stamp Duties Consolidation Act 1999, which imposes an annual levy on certain financial institutions for each of the years to 2021, inclusive, on the basis of the amount of deposit interest retention tax, DIRT, paid by them in a defined base year. Members will recall that in budget 2016 the Minister for Finance announced that he intended to extend the levy for a further five years to 2021. This would bring in an additional €750 million over the period of time. This was to be subject to a review of the methodology used for calculating the levy. The year 2015 was the base year for the levy in the years 2017 and 2018. Section 126AA provides that 2017 is the base year for the levy payable this year and for next year, 2020. This measure will increase the rate at which the levy is charged from 59% to 170% of the deposit interest retention tax collected by the relevant financial institution within that base year. The higher rate reflects the fall in interest rates, and hence DIRT, since 2011.

10 o'clock

The new rate, combined with the 2017 base year, will preserve the existing contribution of €150 million paid by the affected financial institutions. In this regard, the financial resolution is being proposed tonight to ensure that the €150 million bank levy receipts due in under two weeks' time, on 20 October, are raised. This has been flagged already and will not come as a surprise to Members. The Minister for Finance announced his intention in May of this year.

I will now discuss Financial Resolution No. 4, which will increase the rates of stamp duty on non-residential property. In doing so, I remind the House that Financial Resolution No. 4 provides for an increase in the rate of stamp duty applicable to non-residential property by 1.5%, with effect from midnight. It will, therefore, increase from 6% to 7.5%. The commercial property market continues to perform strongly, and it is expected that this increase can be borne by the sector without any real or significant impact. Based on Revenue's ready reckoner, it is estimated that this will generate an additional €141 million in a full year, assuming no behavioural changes. The measure provides for transitional arrangements whereby the existing 6% rate will apply to instruments executed before 1 January 2020 where a binding contract existed prior to today. It also provides for the maintenance of the stamp duty rate of 2% currently applicable in respect of the refund scheme for land converted to residential use. As this is primarily a revenue-raising measure, and in order to ensure that it does not distort the level of activity for the remainder of the year, it has been made subject to this Financial Resolution.

Financial Resolution No. 5 amends Part 5 of the Stamp Duties Consolidation Act 1999 in respect of company acquisitions to provide that a stamp duty of 1% is applicable where a scheme of arrangement that involves a so-called cancellation scheme in accordance with Part 9 of the Companies Act 2014 is used for the acquisition of a company. The need for this measure arises due to it having been established that, in certain circumstances where a company is restructured in accordance with a scheme of arrangement under Chapter 1 of Part 9, no stamp duty currently applies. Under such an arrangement, the company being acquired cancels its existing shares and reissues new shares to the acquiring company. This is known as a cancellation scheme. Currently, no stamp duty is payable in such circumstances, as there is no transfer or conveyance on the sale of shares, which would give rise to stamp duty of 1% on acquisition. This measure is being made subject to this Financial Resolution in order to ensure that it has immediate effect. In doing so, it ensures that the maximum revenue is protected for the Exchequer.

An Ceann Comhairle: In light of the number of Deputies offering, we might try for two minutes each maximum.

Deputy Marc MacSharry: In facilitating this budget under the confidence and supply agreement, it was crystal clear to us that some measures did not give adequate cognisance to the impact on people. We will support Financial Resolutions Nos. 3 and 5, which we view as technical adjustments to, respectively, maintain the €150 million yield on the bank levy and fill a loophole so that companies being sold or purchased will be subject to stamp duty of 1%, which is an important revenue-raising measure, albeit the Government is not in a position to give an estimate of how much.

Regarding stamp duty on commercial property under Financial Resolution No. 4, while I take the Minister for Justice and Equality's point that the commercial property sector is strengthening and may be well placed to sustain such an increase, we have major concerns in this regard about the ability of the agricultural community, in particular small farmers who would not qualify for the reliefs available to family members. Will the Minister clarify the situation and how the Government will mitigate yet another impact on the farming community, which is in a time of crisis, as mentioned in many dispatches in the Chamber today? While facilitating, reluctantly, the budget under the confidence and supply agreement, we will not be voting for this measure.

Deputy Brendan Smith: I have a similar concern regarding the transfer or sale of land by, in particular, small farmers who might have the opportunity to purchase small holdings adjacent to their existing holdings. The rise from 6% to 7.5% will adversely impact on possible sales and what may be necessary increases in farm sizes. Similarly, an increase from 6% to 7.5% when purchasing or acquiring a site for a house is an unnecessary burden. The Minister has been provided with a brief that will say that people can get some of that charge subsequently reimbursed, but that route is not always available. I hope the Minister will give a commitment that this matter will be reviewed during the debate on the Finance Bill, particularly as it affects smaller landowners and people who have an opportunity to acquire a site to build a house in rural Ireland.

Deputy David Cullinane: Financial Resolution No. 3 proposes a technical change to update the year on which the calculation of the bank levy is based. This measure's outworking is that the banks will continue paying the same amount and the State will receive the same revenue. We in Sinn Féin wanted the levy increased and the corporate tax breaks that banks get done away with because we believe that they should pay their fair share. When discussing the carbon tax, the Minister for Health stated that we had dismissed any notion of a carbon tax increase. We did not. We are not calling for the existing carbon tax to be scrapped. Rather, we have concerns about the increase because it is regressive. In the same way, I could argue that the Government could have increased the bank levy and raised revenue to invest in necessary climate action measures. All of this is about choices.

We support Financial Resolution No. 3, as limited as it is, but we would have wanted it to be different. The same can be said of the stamp duty increase. While we welcome the increase, we would have wanted it to be even larger. We had proposed an increase of 4% this year, which would have raised commercial stamp duty from 6% to 10%. I suppose our quarrel on this one concerns the amount, not the principle.

Deputy Brendan Howlin: I also wish to speak on Financial Resolution No. 3. I have the same perspective as the Sinn Féin Deputy, but I have come to a slightly different conclusion, in that it is wholly inadequate. This is a technical amendment just to hold still on the bank levy. We are going to get €150 million from the banks next year by way of a levy. These are organisations that, individually, are making up to €1 billion in profit. They are writing their corporate tax off against the losses that we as a people bailed out. After we have sold off the bank shares and got what we can, it is estimated that there will be a hole left of approximately €40 billion in debt owed by the banking system to the people of Ireland. That is unfair, especially when a budget is presented that does not give any cost of living increase to people on basic welfare.

If the Government increased the bank levy in the way we have suggested from €150 million to €400 million, it would be able to put in place a comprehensive package of social welfare to indemnify the most vulnerable in our community next year against not only the expected inflation cost of 1.5%, but the potential whammy of a no-deal Brexit.

I ask the House to consider rejecting Financial Resolution No. 3, which is a technical "stand still" suggestion. Obviously, we cannot table an amendment because we are not allowed to table an amendment that increases a tax, but I ask that the Government, if the House rejects the resolution, revert to us with a resolution that would give a robust package that would be fair to the people of Ireland who bailed out the banks and suffered incredibly because of bank foolishness and would require the banks, with a view to social justice, to pay their fair share.

Deputy Danny Healy-Rae: I am opposed to the proposed increase in Financial Resolution No. 4 in respect of non-residential properties, which will affect farmers. The farmers are badly enough off, as was outlined earlier today. We all know that for farmers to continue to exist they must invariably buy a bit of land to increase production and stay in the race. For that reason, I oppose Financial Resolution No. 4. It would also affect young people buying a site from a farmer or landowner. In addition, it would affect developers buying a larger site to build more houses. All that would happen then is that the price of the house would increase to the young man or woman who wishes to buy a house to make a home for themselves. I am opposed to the measure.

Likewise, I am not happy with Financial Resolution No. 3. We all know the banks were bailed out by the people of this country and they seem to be getting away lightly. I do not think that is right.

Deputy Michael Fitzmaurice: Last year the rate was increased to 6%. The people who were most affected were not those on the commercial side and the large conglomerates. We talked then about the small person in business and the smaller farmer. Today, in Financial Resolution No. 4, 1.5% is added to the 6%. I know the Minister will say that is not the case for those with the green certificate, those under 35, if one is consolidating a holding or if the transaction is from one family member to another. We know all of that, but the reality is that an allowance should have been made for small farmers to help them to sustain the family farm, regardless of where they are in the country, who have between 40 acres and 60 acres and who want to buy 20 acres. Last year and once again this year, they get a kick in the teeth. If people buy 20 acres of land, for every €100,000 there is another €1,500 gone out of their pocket due to the increase. An allowance should have been included. I understand from what Deputy MacSharry said that Fianna Fáil is opposing the measure and the party will hopefully vote against it. That should be done.

Deputy Marc MacSharry: I said I was not voting for it.

Deputy Michael Fitzmaurice: Deputy MacSharry said he is opposing it, but I suppose Fianna Fáil Members will sit on their hands. Hopefully, something can be introduced to give an option to the small farmer for transactions up to €200,000 because we are playing into the hands of the big conglomerates all the time.

Deputy Peadar Tóibín: The stamp duty increase for non-residential property is a fiercely blunt tool. It treats vastly different sectors of the non-residential property market exactly the same. On one side, one has phenomenally profitable flipping of commercial property and on the other side one has the farming sector, which is stuffed at the moment, where the average wage is €8,000 a year and where subsidies make up approximately 150% of the income of some farmers, yet those two vastly different sectors are being treated with exactly the same blind, blunt tool. I urge the Minister to examine it. This must have been a mistake. I cannot imagine for a moment that it was done on purpose by any person with an understanding of rural Ireland.

The bank levy is pocket money to the banks in this country given the level of profit they are making. These are phenomenally profitable organisations and they only exist because of the blood, sweat and tears of the Irish people. It is incredible that the *raison d'être* of this Government has been the protection of the banks in everything it has done. It has deleted competition from the pillar banks so that they can be protected. It has made sure that the banks do not have any competition from other companies in the market. It is now beyond time that the banks paid their fair share the same way as anybody else. They are certainly not doing it with the bank levy.

Deputy Eamon Scanlon: I wish to make a few points on the stamp duty change. As has been said, it will take money from small farmers who decide to sell their land and retire. When one considers that 18 months ago the stamp duty on commercial property was 2% and today it is 7.5%, I honestly think it is a penal tax. It is very unfair and it will affect people with a small business who want to sell it and retire. The person purchasing the business will deduct 7.5% straight off the top from the very beginning. It is a penal tax and it was high enough at 6%.

Deputy Peadar Tóibín: Perhaps the Deputy will vote against it.

Deputy Eamon Scanlon: It is a mistake and it will affect small businesses and small farmers.

Deputy Robert Troy: I wish to add my voice to the debate. The Minister said he feels the commercial sector can cater for this increase. On what basis does he have that feeling? What economic impact assessment has been carried out on the proposal before the increase was introduced? As Deputy Scanlon said, it is not just a 1.5% today, it comes on top of the 4% increase from last year. In the space of just over 12 months, we have gone from 2% to 7.5% and that will have an effect on small farmers and small businesses, people who are creating jobs and opportunities in rural Ireland and in the regions. Once again, the Government is putting an additional charge on their back. While the Minister is looking to increase the rate by 1.5%, thank God Sinn Féin is not in government because a previous speaker from the party said earlier they want to increase it even further and to put additional charges on the agriculture sector and small businesses. The fact of the matter is that since Fine Gael came into office following the most recent general election, the cost of doing business in this country has become more expensive. We have fallen down the international league table in terms of the cost of doing business. We have also fallen down the league table in terms of competitiveness. That is one of the reasons that has happened. We are out of synch with the transactional tax with other European countries. I am interested to learn what economic impact assessment has been carried out on the proposal.

Deputy Declan Breathnach: I wish to add my voice to what others have said, in particular about the transfer of land for agricultural purposes from one farmer to another. A solution was found previously when stamp duty was introduced and an exemption was given to young farmers. I respectfully suggest that in the Finance Bill a similar solution would be found to offset this impact, particularly on the sale of agricultural land from one farmer to another.

Deputy Charles Flanagan: A number of questions were asked on a variety of issues contained in the financial resolutions. There having been no adverse comment on Financial Resolution No. 5, I do not intend to say anything further on that because I gather from the silence of Opposition Deputies that they are accepting of it. That reduces the debate to the area of the stamp duty increase of 1.5% and the banking levy.

I will respond first to the comments of Deputy MacSharry, who was ably assisted by Deputies Smith, Troy, Tóibín, Fitzmaurice and Danny Healy-Rae in respect of the stamp duty increase. I assure the Deputies that all of the current reliefs that are in existence for agricultural land will still be available. In respect to the purchase or transfer of agricultural land, I refer to the exemption for young, trained farmers, as mentioned by Deputy Breathnach, the farm consolidation relief, which rural Deputies will be particularly apprised of, in addition to the consanguinity relief, which to my mind will cover many of the instances put forward by the Deputies. In respect of non-residential commercial land, the increase is of the order of 1.5%. That is a stamp duty that was 9% not so long ago. I will answer Deputy Troy's question by stating that there was an impact assessment. The Department of Finance consistently monitors sectoral elements of the economy and keeps all tax measures under review as appropriate. There was a specific assessment regarding activity in the commercial property sector. The observations were to the effect that the commercial property sector remains positive, with few signs of adverse impact as a result of stamp duty measures introduced in budget 2018. The Department contends that the favourable yield on offer to investors in the Dublin market, the continuing number of planning permissions granted for non-residential units, and the high volume of office space under construction all suggest that the slight increase in the rate of stamp duty would not lead to a significant decrease in investment. I mentioned that the agricultural reliefs are still remain intact. That covers the vast majority of land transfers in the agricultural sector.

Turning to the bank levy, I acknowledge the point raised by Deputy Howlin on behalf of his party, as well as by Deputy Tóibín. Both Members will be familiar with the ongoing debate in this sector. They will also be aware that the Minister considered a number of options, with particular reference to a proposed increase in the levy and that increase would be on a permanent basis. This was the subject of debate here in the House from time to time at parliamentary Question Time and also in more general finance debates. I repeat, however, that it is the view of the Minister and his Department that there are several strong reasons not to increase the yield further and to ensure that it remains at the current €150 million yield. It is important we ensure that the full cost does not fall on consumers through higher interest rates on loans and higher banking fees. Those are outcomes that would result if the yield were higher.

Another valid point is that a substantial increase would also raise the likelihood of a legal challenge to the bank levy. I state that given the fact that, for example, credit unions are currently exempt and do not make payments.

Deputy Brendan Howlin: They did not get a bailout.

Deputy Charles Flanagan: There have been suggestions that such a legal action might have an unintended consequence for us here as it may be a revenue issue. We have also seen that banking sector competition has resulted in something of reduction in their numbers. At least one bank has left the Irish market, citing specifically the bank levy as a factor that contributed to such an exit. We do not want to include the credit unions nor do we think it desirable that An Post should be included in the levy.

Deputy Brendan Howlin: None of them got a bailout.

Deputy Charles Flanagan: With that in mind, it is the view of the Minister of Finance, as has been flagged on a number of occasions and, therefore, should not come as any surprise to Deputies, that he would leave the levy yielding the current sum of €150 million.

Question put: "That Financial Resolution No. 3 be agreed to."

The Dáil divided: Tá, 93; Níl, 35; Staon, 0.		
Tá	***Níl***	***Staon***
Aylward, Bobby.	***Adams, Gerry.***	
Bailey, Maria.	***Brady, John.***	
Barrett, Seán.	***Broughan, Thomas P.***	
Brassil, John.	***Buckley, Pat.***	
Breathnach, Declan.	***Collins, Joan.***	
Breen, Pat.	***Collins, Michael.***	
Brophy, Colm.	***Crowe, Seán.***	
Browne, James.	***Cullinane, David.***	
Bruton, Richard.	***Ellis, Dessie.***	
Burke, Peter.	***Ferris, Martin.***	
Butler, Mary.	***Fitzmaurice, Michael.***	
Byrne, Catherine.	***Funchion, Kathleen.***	
Byrne, Thomas.	***Healy-Rae, Danny.***	
Cahill, Jackie.	***Healy, Seamus.***	
Calleary, Dara.	***Howlin, Brendan.***	
Canney, Seán.	***Kelly, Alan.***	
Cannon, Ciarán.	***Kenny, Martin.***	
Carey, Joe.	***McDonald, Mary Lou.***	
Casey, Pat.	***Mitchell, Denise.***	
Cassells, Shane.	***Munster, Imelda.***	
Chambers, Jack.	***Murphy, Catherine.***	
Chambers, Lisa.	***Nolan, Carol.***	
Corcoran Kennedy, Marcella.	***O'Reilly, Louise.***	
Cowen, Barry.	***O'Sullivan, Jan.***	
Creed, Michael.	***O'Sullivan, Maureen.***	
Curran, John.	***Ó Broin, Eoin.***	
D'Arcy, Michael.	***Ó Caoláin, Caoimhghín.***	
Daly, Jim.	***Ó Snodaigh, Aengus.***	
Deasy, John.	***Pringle, Thomas.***	
Deering, Pat.	***Quinlivan, Maurice.***	
Doherty, Regina.	***Ryan, Brendan.***	
Dooley, Timmy.	***Sherlock, Sean.***	
Doyle, Andrew.	***Shortall, Róisín.***	
Durkan, Bernard J.	***Stanley, Brian.***	

English, Damien.	*Tóibín, Peadar.*	
Farrell, Alan.		
Fitzpatrick, Peter.		
Flanagan, Charles.		
Fleming, Sean.		
Grealish, Noel.		
Griffin, Brendan.		
Halligan, John.		
Harris, Simon.		
Harty, Michael.		
Haughey, Seán.		
Heydon, Martin.		
Humphreys, Heather.		
Kehoe, Paul.		
Kenny, Enda.		
Kyne, Seán.		
Lahart, John.		
Lawless, James.		
Lowry, Michael.		
MacSharry, Marc.		
Madigan, Josepha.		
Martin, Micheál.		
McConalogue, Charlie.		
McEntee, Helen.		
McGrath, Finian.		
McHugh, Joe.		
McLoughlin, Tony.		
Mitchell O'Connor, Mary.		
Moran, Kevin Boxer.		
Moynihan, Michael.		
Murphy O'Mahony, Margaret.		
Murphy, Dara.		
Murphy, Eoghan.		
Murphy, Eugene.		
Naughten, Denis.		
Naughton, Hildegarde.		
Neville, Tom.		
Noonan, Michael.		
O'Brien, Darragh.		
O'Callaghan, Jim.		
O'Connell, Kate.		
O'Dea, Willie.		

O'Donovan, Patrick.		
O'Dowd, Fergus.		
O'Keeffe, Kevin.		
O'Loughlin, Fiona.		
O'Rourke, Frank.		
Ó Cuív, Éamon.		
Phelan, John Paul.		
Rabbitte, Anne.		
Ring, Michael.		
Rock, Noel.		
Ross, Shane.		
Ryan, Eamon.		
Scanlon, Eamon.		
Smith, Brendan.		
Smyth, Niamh.		
Stanton, David.		
Troy, Robert.		

Tellers: Tá, Deputies Seán Kyne and Tony McLoughlin; Níl, Deputies Brendan Ryan and David Cullinane.

Question declared carried.

Financial Resolution No. 4: Stamp Duties - Rates

Minister for Justice and Equality (Deputy Charles Flanagan): I move:

(1) THAT for the purposes of stamp duty charged by virtue of the Stamp Duties Consolidation Act 1999 (No. 31 of 1999), that Act be amended—

(a) in section 83D—

(i) in paragraphs (2)(a) and (6)(a), by substituting "7.5 per cent" for "6 per cent", and

(ii) in paragraph (6)(a), by substituting "11/15" for "2/3", and

(b) in Schedule 1—

(i) in the Heading "CONVEYANCE or TRANSFER on sale of any property other than stocks or marketable securities or a policy of insurance or a policy of life insurance", in paragraph (4), by substituting "7.5 per cent" for "6 per cent", and

(ii) in the Heading "LEASE", in paragraph (3)(b), by substituting "7.5 per cent" for "6 per cent".

(2) THAT—

(a) subject to subparagraphs (b) and (c), this Resolution shall have effect as respects instruments executed on or after 9 October 2019,

(b) subparagraph (b) of paragraph (1) shall not have effect as respects any instrument executed before 1 January 2020, where—

(i) the effect of the application of subparagraph (b) of paragraph (1) would be to increase the duty otherwise chargeable on the instrument, and

(ii) the instrument contains a statement, in such form as the Revenue Commissioners may specify, certifying that the instrument was executed solely in pursuance of a binding contract entered into before 9 October 2019,

(c) subparagraph (a) of paragraph (1) shall not have effect as respects instruments executed on or after 9 October 2019 where subparagraph (b) of paragraph (2) applies to the instrument referred to in paragraph (a) of subsection 83D(2) of the Stamp Duties Consolidation Act 1999, and

(d) the furnishing of an incorrect certificate for the purposes of subparagraph (b)(ii) shall be deemed to constitute the delivery of an incorrect statement for the purposes of section 1078 of the Taxes Consolidation Act 1997 (No. 39 of 1997).

(3) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

Question put: “That Financial Resolution No. 4 be agreed to.”

Deputy Danny Healy-Rae: Vótáil.

(Interruptions).

An Leas-Cheann Comhairle: We are moving on.

Deputy Sean Sherlock: With respect, I heard a Deputy say “Vótáil”.

An Leas-Cheann Comhairle: In future, I ask Deputies not to be so shy. I did not hear the Deputy in question. I thank Deputy Sherlock for his assistance. Will the Deputies claiming a division please rise?

Deputies Joan Collins, Michael Collins, Michael Fitzmaurice, Seamus Healy, Danny Healy-Rae, Thomas Pringle, Eamon Ryan and Peadar Tóibín rose.

An Leas-Cheann Comhairle: As fewer than ten Members have risen, I declare the question carried. In accordance with Standing Order 72, the names of the Deputies dissenting will be recorded in the Journal of the Proceedings of the Dáil.

Question declared carried.

Financial Resolution No. 5: Stamp Duties

Minister for Justice and Equality (Deputy Charles Flanagan): I move:

(1) THAT, for the purposes of stamp duty charged by virtue of the Stamp Duties Consolidation Act 1999 (No. 31 of 1999), that Act be amended by the insertion of the following section after section 31C:

"Cancellation schemes of arrangement 31D.

(1) In this section—

'Act of 2014' means the Companies Act 2014;

'agreement' includes any arrangement, contract, compromise, understanding, scheme, offer, transaction or series of transactions;

'company' means a company formed and registered under the Act of 2014 or an existing company within the meaning of that Act;

'registrar' has the same meaning as it has in the Act of 2014;

'scheme order' has the same meaning as it has in Chapter 1 of Part 9 of the Act of 2014.

(2) Where—

(a) there is an agreement to effect the acquisition of a company (in this section referred to as the 'target company'),

(b) the target company enters into an arrangement—

(i) That has become binding in accordance with section 453 of the Act of 2014, and

(ii) in accordance with which there is a cancellation of shares in the target company pursuant to Chapter 4 of Part 3 of that Act,

and

(c) the shareholders of the target company receive consideration for the cancellation of those shares held by them,

the agreement referred to in paragraph (a) shall be—

(I) chargeable with the same stamp duty as if it were a conveyance or transfer on sale of those shares, and

(II) deemed to be executed on the date on which a copy of the scheme order relating to the arrangement is delivered to the registrar in accordance with section 454 of the Act of 2014.

(3) Where subsection (2) applies, the consideration for the purpose of charging stamp duty shall be the consideration received by the shareholders of the target com-

pany for the cancellation of shares held by them.

(4) For the purposes of this Act, the accountable person shall be the person paying the consideration for the cancellation of the shares by the shareholders of the target company.”.

(2) THAT paragraph (1) of this Resolution shall apply in relation to a scheme order (within the meaning of Chapter 1 of Part 9 of the Companies Act 2014 (No. 38 of 2014) made on or after 9 October 2019.

(3) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

Financial Resolution No. 5 agreed to.

An Leas-Cheann Comhairle: Financial Resolutions Nos. 6, 7 and 8 may be discussed together.

Financial Resolution No. 6: Capital Gains Tax - Exit Tax

Minister for Housing, Planning and Local Government (Deputy Eoghan Murphy): I move:

(1) THAT section 627 of the Taxes Consolidation Act 1997 (No. 39 of 1997) be amended, as respects disposals deemed to have been made (that is to say, deemed to have been made by virtue of subsection (2) of that section) on or after 9 October 2019—

(a) in subsection (2)—

(i) by inserting “or, in the case of paragraph (c), at the time specified in subsection (2A)” after “event concerned”, and

(ii) by deleting “, being a company that is resident in a Member State (other than the State),” in paragraphs (a) and (b),

and

(b) by inserting the following after subsection (2):

“(2A) Notwithstanding anything in subsection (2), as respects the event referred to in paragraph (c) of that subsection, the time immediately before the company referred to in that paragraph ceases to be resident in the State is to be taken as the time at which the company shall be deemed to have disposed of all its assets (other than assets excepted from that paragraph by subsection (6)) and to have immediately reacquired them at their market value.”.

(2) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

Financial Resolution No. 6 provides for two necessary amendments to the anti-tax avoidance directive, ATAD, exit tax regime for companies introduced last year in budget 2019, in line with our commitments under the directive. The exit tax provision imposes a charge to tax at the rate of 12.5% on unrealised gains arising where a company migrates its residence or transfers its assets offshore such that it leaves the charge to Irish tax.

The first amendment relates to a potential avoidance opportunity identified by Revenue whereby it could be argued that the exit tax charge arising on the migration of a company's residence could not be imposed by Ireland as the company is no longer resident in Ireland when the exit tax event occurs. This argument is clearly not within the spirit of the ATAD, but could be used to circumvent the charge to exit tax. The amendment puts beyond doubt the application of the exit tax charge in such cases.

The second amendment corrects a transposition error which was noted following enactment of the Finance Act 2018 and brings the provision fully in line with the provisions of the anti-tax avoidance directive. In order to provide certainty and to avoid creating a window of opportunity for avoidance transactions, these amendments will apply from budget night. These amendments will be placed on a permanent statutory footing in the forthcoming finance Bill.

Financial Resolution No. 7 provides for several amendments to the Irish real estate fund, IREF, regime. An Irish real estate fund is an investment undertaking other than undertakings for collective investment in transferable securities, UCITS, where 25% or more of the value of that undertaking is made up of an Irish real estate asset. The tax framework for IREFs was introduced in the Finance Act 2016 to address concerns that had been raised regarding the use of funds to avoid the responsibility to pay tax where Irish property is concerned.

The Minister for Finance has always maintained that further action would be taken where additional concerns were raised with regard to avoidance in this space. Following a review of the first IREF financial statements filed earlier this year, the Revenue Commissioners identified a number of aggressive structures being utilised by some IREFs to reduce distributable profits and thereby avoid payment of the withholding tax. Incidents were also noted where a partial redemption of IREF units was structured in such a way as to avoid the realisation of gains by the unit holder. In line with the Minister's commitment, the Government is, therefore, legislating to introduce a number of anti-avoidance measures to counteract these avoidance activities.

11 o'clock

The amendments include the introduction of a debt to property cost limit and an income to interest ratio to combat excessive leveraging and related party interest expenses within IREFs and a provision to ensure that a partial redemption of IREF units results in a proportionate realisation of any accrued gains. The Minister has also confirmed that scrutiny of IREF returns and financial statements will continue and that if necessary further action will be taken in future to ensure the appropriate level of tax is paid by these funds.

Financial Resolution No. 8 provides for a number of amendments to the real estate investment trust, REIT, regime. The REIT framework was introduced in the Finance Act 2013. A REIT must be listed on the main market of an EU stock exchange and must be widely held. It is subject to limits on debt and interest to prevent excessive leveraging. The purpose of the REIT regime is to facilitate long-term, risk-diversified collective investment in rental property and the attraction of institutional investment capital to the Irish property market. A number of amendments are being introduced to the REIT framework to ensure the appropriate level of tax is being collected.

The provision corrects an unintended anomaly in legislation whereby a distribution comprised of the proceeds of a property disposal is not subject to dividend withholding tax. In addition, an existing provision whereby a deemed disposal and rebasing of property value occurs should a company cease to be a REIT is being limited to apply only where the REIT has been in operation for a minimum of 15 years. This is in line with the original policy intention of encouraging stable long-term investment in the rental property market.

These amendments are intended to ensure that an appropriate level of tax is paid on property gains by REITs. The REIT framework was introduced to promote stable long-term investment in rental property by removing a double layer of tax that would otherwise apply on collective investment. It is not intended to provide an exemption from tax on income or gains and the amendments introduced today will ensure that this objective is upheld.

Deputy Robert Troy: Fianna Fáil will support these resolutions. Financial Resolution No. 6 relates to avoidance opportunities identified by the Revenue Commissioners with regard to the OECD base erosion and profit shifting report of October 2012. Agreement was reached at EU level to progress five separate anti-avoidance measures via the anti-tax avoidance directives agreed in 2016 and 2017. Ireland signed up to both programmes and we are happy to support the financial resolution.

Financial Resolutions Nos. 7 and 8 relate to Irish real estate funds. A total of 25% or more of these funds must comprise Irish assets. With regard to IREFs and REITs, tax is charged not on gains within the fund but on funds extracted. The amendments proposed in Financial Resolution No. 7 include the introduction of a debt to property cost limit and an income to interest rate ratio to combat excessive leveraging and related party interest expenses in IREFs and a provision to ensure a partial redemption of IREF units results in a proportionate realisation of any accrued gains.

The amendments being made in Financial Resolution No. 8 are to ensure that REITs pay appropriate levels of tax. These proposals will generate approximately €135 million per annum, which is very welcome. In recent years, we have all become very aware of cuckoo funds swooping in, outbidding private individuals and paying little or no tax. Heretofore, cuckoo funds have had a totally unfair competitive advantage over private citizens looking, in many instances, to acquire their first home. In 2007, the funds purchased approximately 600 properties. This increased fivefold in 2018, when they purchased 3,000 units. We are late in coming to the game and this is very much a reactionary measure. These funds have avoided a lot of tax in the past two years, at a time when private individuals were finding it so difficult to afford their first homes. These funds can readily access the best professional advice from accountants and legal experts in order to ensure that they pursue an aggressive tax strategy to avoid and reduce their tax liabilities.

While we support the two resolutions, it is important that this is kept under regular review and that it will be part of the tax strategy annual papers to ensure we keep pace with new potential tax avoidance mechanisms to ensure a level playing field. Heretofore, there was not a level playing field. Institutional investors were coming in and buying large-scale properties and not paying tax. They had an unfair competitive advantage over small Irish landlords. More importantly, they had an unfair competitive advantage over people trying to acquire their first homes. We support the resolutions.

Deputy David Cullinane: Sinn Féin also supports Financial Resolutions Nos. 6 and 7. Financial Resolution No. 6, which is the exit tax amendment, includes a highly technical language change to be included in the exit tax stipulations. It is important that this is looked at in more detail in the finance Bill. Deputy Pearse Doherty certainly wants this to happen. There does appear to be a tightening to clarify exactly when the company's value as it relates to the exit tax is determined. In this measure, the time immediately before the company leaves the State is when the value for exit taxation purpose applies.

In the context of IREFs, we support any moves to clamp down on tax avoiding property investors. It seems this is a move to attempt to curb tax avoidance practices by IREFs. We have issues with how much IREFs pay and their effective rates of corporation tax and capital gains tax. Recently, Deputy Pearse Doherty tabled many parliamentary questions in this regard to the Minister for Finance. It is an area of concern to us. There also seem to be concerns regarding the shareholders being able to write down losses. We have a number of concerns with regard to IREFs. We support this particular measure and anything that would clampdown on tax avoidance by any property investor will receive the support of Sinn Féin. We will support Financial Resolutions Nos. 6 and 7.

Deputy Eoghan Murphy: I thank the Deputies for their contributions. I want to come back on a number of points relating to Financial Resolutions Nos. 7 and 8 and some changes to section 110 in the forthcoming finance Bill. We estimate that in the region of €80 million will accrue from the changes we are making in these resolutions in terms of the changes to the taxation regime and trying to go after people aggressively avoiding tax. It is important that we support long-term investment in rental properties. In making these changes, we are trying to prevent people from aggressively avoiding tax but we are also trying to ensure that those investing here pay their fair share of tax while making a long-term investment in the property market. If we look at the residential property market and the increase in apartments coming off the back of these new investments, there was a 42% increase in the number of apartments built in the first six months of this year and planning permissions increased by more than 80% in the same period. It is producing supply but I agree that we must continue to monitor the situation.

We are not late to the game on this. We set up the IREF structure in 2016 because of the aggressive tax practices being pursued through other fund structures. We set up REITs on purpose to get more investment into property in order to ensure that we could get more homes built. After the financial collapse, the funding structure for property and investment changed and we needed to adapt to the new models that were out there. Regarding being late to the game, the first accounts for these companies were only filed at the beginning of this year. This is our first opportunity to move and we have moved very quickly, based on consultation with Revenue and others to ensure we can close down these aggressive tax practices. We are doing that quite quickly.

There are approximately 210,000 apartments nationally of which 1.4% are controlled by REITs. While they control some, it is a very small percentage at present. We know there is now more activity and that is why it is important that we continue to monitor it. I have given that commitment as Minister for Housing, Planning and Local Government. We have also introduced these new structures under rent controls, which were not there originally. We did that earlier this year. There is now more money for the RTB to enforce reflections of rent-pressure zones to ensure they are working, but also to keep it under review from the point of view of the Minister for Finance. It is important that we continue to do that. Those commitments have been made by the Minister.

Financial Resolution No. 6 agreed to.

Financial Resolution No. 7: Income Tax and Corporation Tax - IREFS

Minister for Housing, Planning and Local Government (Deputy Eoghan Murphy): I move:

(1) THAT Chapter 1B of Part 27 of the Taxes Consolidation Act 1997 (No. 39 of 1997) be amended—

(a) in section 739K(1), by inserting the following definitions:

" 'balance sheet' means the balance sheet, statement of financial position or equivalent prepared in respect of an investment undertaking or sub-fund, as the case may be, in accordance with international accounting standards or alternatively in accordance with the generally accepted accounting practice specified in the investment undertaking's prospectus;

'market value' shall be construed in accordance with section 548;

'value of an IREF taxable event' in relation to an IREF taxable event within the meaning of—

(a) paragraph (a) of the definition of 'IREF taxable event', means the value of the relevant payment,

(b) paragraphs (b), (c), (d), (e) and (f) of the definition of 'IREF taxable event', means the market value of the unit less any amount subscribed for that unit, and

(c) paragraph (g) of the definition of 'IREF taxable event', means the amount of the accrued IREF profits sold or transferred;",

(b) in section 739L—

(i) by substituting "**A x B/C – D + E**"

for "**A x B/C – D** ",

(ii) by substituting "A is the value of the IREF taxable event which is attributable to the retained profits of the IREF," for "A is the portion of the IREF taxable event which is attributable to the retained profits of the IREF,",

(iii) by substituting "IREF," for "IREF, and",

(iv) by substituting "by the IREF, and" for "by the IREF.", and

(v) by inserting the following:

"E is an amount calculated as the difference between the value of the IREF taxable event and the value of the unit in accordance with the balance sheet of the IREF, where the IREF taxable event is one referred to in paragraph (b) of the definition of ‘value of an IREF taxable event’ in section 739K(1) and the value of the unit in accordance with the balance sheet of the IREF is less than the value of the IREF taxable event.”,

and

(c) by inserting the following sections after section 739L:

“Profit: financing cost ratio 739LA. (1) In this section—

‘adjusted property financing costs’ means the property financing costs less any amount of income referred to in subsection (2)(b);

‘property financing costs’ means costs, being costs of debt finance or finance leases, which are taken into account in arriving at the profits of an IREF, including amounts in respect of—

(a) interest, discounts, premiums, or net swap or hedging costs, and

(b) fees or other expenses associated with raising debt finance or arranging finance leases;

‘property financing costs ratio’ means the ratio of the sum of profits of an IREF and the adjusted property financing costs of an IREF to the adjusted property financing costs of the IREF;

‘relevant cost’ means the amount which would be allowable as a deduction for the purposes of the Capital Gains Tax Acts under section 552(1);

‘specified debt’ means any debt incurred by an IREF in respect of monies borrowed by, or advanced to, the IREF.

(2) (a) This subsection applies where the aggregate of the specified debt exceeds an amount equal to 50 per cent of the relevant cost of the IREF assets (and that excess is referred to in this subsection as the ‘excess specified debt’).

(b) Where this subsection applies, the IREF shall be treated for the purposes of the Income Tax Acts as receiving an amount of income determined by the formula—

A x B/C

where—

A is the property financing costs, B is the excess specified debt, and C is the total specified debt.

(3) (a) This subsection applies where the property financing costs ratio of the IREF is less than 1.25:1 for an accounting period.

(b) Where this subsection applies, the IREF shall be treated for the purposes of the Income Tax Acts as receiving an amount of income equal to the amount by which the adjusted property financing costs would have to be reduced for the property financing costs ratio to equal 1.25:1 for that accounting period.

(4) The amount of income referred to in subsections (2) and (3) shall be charged to income tax under Case IV of Schedule D and shall be treated as income—

(a) arising in the year of assessment in which the accounting period in which the amount was taken into account ends, and

(b) against which no loss, deficit, expense or allowance may be set off.

Profit: calculating profits available for distribution

739LB. (1) This section applies to any amount taken into account by an IREF in computing the profits of the IREF, in respect of any disbursement or expense, not being money wholly and exclusively laid out or expended for the purposes of the IREF business (referred to in this section as the ‘disallowed amount’).

(2) The IREF shall be treated as receiving for the purposes of the Income Tax Acts an amount of income equal to the disallowed amount.

(3) The amount of income referred to in subsection (2) shall be charged to income tax under Case IV of Schedule D and shall be treated as income—

(a) arising in the year of assessment in which the accounting period in which the disallowed amount was taken into account ends, and

(b) against which no loss, deficit, expense or allowance may be set off.”.

(2) THAT paragraph (1) of this Resolution shall apply to accounting periods commencing on or after 9 October 2019 and where an accounting period commences before 9 October 2019 and ends after that date, it shall be divided into two parts, one beginning on the date on which the accounting period begins and ending on 8 October 2019 and the other beginning on 9 October 2019 and ending on the date on which the accounting period ends, and both parts shall be treated as if they were separate accounting periods of the IREF.

(3) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

Financial Resolution No. 7 agreed to.

Financial Resolution No. 8: Income Tax and Corporation Tax - REITs

Minister for Housing, Planning and Local Government (Deputy Eoghan Murphy): I move:

(1) THAT Part 25A of the Taxes Consolidation Act 1997 (No. 39 of 1997) be amended—

(a) by inserting the following section after section 705I—

“Disposals and reinvestments

705IA. (1) This section applies where a REIT or group REIT disposes of a property of its property rental business.

(2) Where the full proceeds from the disposal of the property are not—

(a) reinvested in the acquisition of a new property for use in the REIT's or group REIT's property rental business,

(b) reinvested in the development or enhancement of a property held for use in the REIT's or group REIT's property rental business, or

(c) distributed to the shareholders of the REIT or the shareholders of the principal company of the group REIT, as the case may be,

before the expiry of the period referred to in section 705I(2) (in this subsection referred to as the 'first mentioned period') or, if earlier than that expiry, the date specified in a notice given under subsection (1) or

(4) of section 705O (in this subsection referred to as the 'specified date') then any amount not so reinvested or distributed shall, for the purposes of applying the condition specified in section 705B(1)(b)(vi) and for the purposes of section 705N(a), be treated as property income of the REIT or group REIT arising in the accounting period in which the first mentioned period expires or the specified date falls.

(3) Subsections (2) and (3) of section 172D, and subsection (4) of section 153, shall not apply to any distribution of the proceeds of a disposal referred to in subsection (1).",

and

(b) in section 705P(2) by substituting for "Where a notice is given under subsection (1) or (4) of section 705O, the assets of the REIT or group REIT" the following:

"Where —

(a) a notice is given under subsection (1) or (4) of section 705O, and

(b) at the time of the giving of that notice, not less than fifteen years have elapsed from the date the REIT or group REIT became such under section 705E(4),

the assets of the REIT or group REIT".

(2) THAT paragraph (1) of this Resolution shall apply to disposals made after 8 October 2019.

(3) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

Financial Resolution No. 8 agreed to.

Financial Resolution No. 9: General

Minister for Housing, Planning and Local Government (Deputy Eoghan Murphy): I move:

> 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.

Debate adjourned.

Written Answers are published on the Oireachtas website.

The Dáil adjourned at 11.15 p.m. until 10 a.m. on Wednesday, 9 October 2019.