



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Dé Máirt, 13 Deireadh Fómhair 2020

Tuesday, 13 October 2020

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

Paidir.

Prayer.

Gnó na Dála - Business of Dáil

An Ceann Comhairle: This is a very special occasion for two reasons. It is the first time that a budget has been delivered outside of the august surroundings of Leinster House. We again thank the authorities here in the Convention Centre Dublin for facilitating us. It is also a special day because our distinguished head usher, Colm O'Rourke, is attending for his last sitting day in the House. All will agree that Colm has given outstanding, distinguished and sterling service to the Houses of the Oireachtas over the past 14 years. He will be greatly missed. His will be a very hard act to follow and we wish him and his wife, Bláithín, many long years of happy retirement together.

Before calling on the Ministers for Finance and Public Expenditure and Reform to present their budgets, I must in accordance with precedence remind Members that the documentation, including the Ministers' speeches, is being circulated in the Chamber strictly on the condition that the information contained therein remains confidential until the Ministers have referred to it in the House. The documentation should not be removed or sent by any means from the Chamber before the Ministers' speeches. I suppose that is in case "Morning Ireland" or the national media missed anything so far. I must ask everyone in the Chamber to respect the confidentiality of the information being supplied to them. I now have great pleasure in calling on the Minister for Finance, Deputy Donohoe to make his Budget Statement.

Financial Resolutions 2020

Budget Statement 2021

Minister for Finance (Deputy Paschal Donohoe): When I presented budget 2020 we confronted the main challenge then facing our country, a hard Brexit.

INTRODUCTION

This year, while we continue to prepare for Brexit, we are also responding to the worst global pandemic in a century. We live in an era of great uncertainty and increasing risk. Overcoming these challenges in the interests of our fellow citizens is the central task of this Government. However, it is not enough that this budget which I present with the Minister for Public Expenditure and Reform, Deputy Michael McGrath, surmounts the immediate threats we face. It must also advance efforts to make progress on the great priorities which our society continues to value. These are core missions for this Government: more homes, improved healthcare and a better national response to climate change.

We have faced numerous difficulties since independence but never one like Covid-19, an invisible enemy that has caused great suffering and disrupted so much of what is central to our national well-being. Equally, we meet this enemy with greater determination, resolve and resources than ever before in our history. This is due to the careful management of our economy when times were good, the support and solidarity of the European Union and more than anything, the hard work, dedication and resilience of the Irish people. Our message is clear: the test we face is daunting, further demanding choices await and the uncertainty and anxiety about the future of lives and livelihoods is great, but we will prevail, we will come through this and from the ashes of the pandemic, together we will build a stronger and more resilient Ireland. Budget 2021 is a bridge to that future.

COVID-19: GOVERNMENT RESPONSE IN 2020

Our determination to act is demonstrated by actions taken. The Government has responded swiftly and assertively during 2020. We were able to respond effectively because we had the financial resources to do so due to recent budgets. As a result of last year's budget, we entered 2020 with a surplus of €1.3 billion and a rainy day fund worth €1.5 billion. Crucially, entering the year with a surplus also reaffirmed our reputation with international markets, helping to keep our interest payments affordable as we borrowed more. To date, the total value of support measures amounts to €24.5 billion, which is nearly eight times last year's budget plan. We have never experienced a challenge like this but equally, Ireland has never delivered such a strong response. As a result of this response we aim to recover more quickly and prevent a recession turning into a prolonged depression. Crucial to this recovery is an understanding that the health of the country and the health of the economy are interdependent; the better our public health, the stronger our economic health. The Government understands the trade-offs in public health choices. We appreciate the impact of decisions on lives and livelihoods.

COVID-19: EU RESPONSE

However, we are responding to a virus that knows no borders, so it is imperative that we have a response that transcends national borders. That is why the importance of collective responses to international problems is clear: no one country can act in isolation. Therefore, it is important to highlight the important decisions made: the European Central Bank's bond purchase programme and the multi-year budget and recovery plan worth over €2 trillion. Interdependence combined with a highly infectious disease is a vulnerability. Economic interdependence combined with political purpose is a source of strength. All of these European decisions strengthened our national response.

MACROECONOMIC OUTLOOK

Budget 2021 has obviously been prepared against a background of extraordinary circumstances regarding our approaching economic and budgetary prospects. As a result, it is exclusively focused on the rest of this year and next year. Two major assumptions underpin this budget. Once again, this year, the budget is framed on the basis of no bilateral trade deal between the EU and the UK. The Department of Finance estimates that the absence of such a deal will reduce Irish growth by just under 3 percentage points in 2021, with expected growth of 1.75 percentage points. Second, in relation to Covid-19, this budget has been framed on the assumption of the continued presence of the virus in our country next year and the absence of a broadly available vaccine.

Looking to the final months of 2020, gross domestic product, GDP, is projected to decline by 2.5% for the year as a whole, with domestic demand falling by 6%. The unemployment rate is expected to decline slowly throughout the second half of the year, reaching 12.25% in the fourth quarter, with an annual average rate of just under 16%. However, this figure could change depending on the path of the virus. My Department is, therefore, forecasting a total loss of approximately 320,000 jobs in 2020, with this recovering by approximately 155,000 jobs next year.

It is clear that this pandemic has had a disproportionate impact on the job prospects of the young. Youth unemployment hit a peak of 64% in May, before falling to 37% in September, figures which were unimaginable just a few short months ago. As such, this Government is steadfast in its determination to overcome the challenge of unemployment among our young.

For 2021, overall gross domestic product growth of 1.75 percentage points is projected, with an unemployment rate of 10.25%. The level of economic activity of last year may not return until at least 2022. These projections incorporate today's measures into the pre-budget forecasts that were endorsed by the Irish Fiscal Advisory Council. The outlook remains uncertain. Under a more challenging scenario, growth could be reduced further. This is a stark reminder of the journey ahead, but if we make more progress on protecting our public health, then every day, every week and every month will be a step towards a future so much better than seems possible today. This is not the time for an optimism unfettered to the reality of the challenge that we confront, but it is the time for a hope that recognises our challenges, and a hope that strives with the strengths of our economy and our society to succeed.

BUDGETARY STANCE

With the onset of the pandemic, the Government has maintained a clear strategy to respond to the great risks facing us today: building up healthcare capacity, protecting household incomes, and supporting employment. The budgetary landscape has transformed dramatically in the space of a few months. A deficit of €21.5 billion, or 6.2%, is currently projected for 2020. While this is a huge figure by Irish standards, it is similar to the levels of deficit for which peer countries are borrowing. It is crucial to ensure that any deficit remains manageable. We are reducing the deficit carefully over the coming year, and this is one of our main budgetary objectives. As such, budget 2021 forecasts a deficit of €20.5 billion, or 5.7%.

Our borrowing is falling, but at a proportionate and careful speed. We are getting the balance right between improving our national finances and supporting jobs and investing in our public health and in our future. Again, I expect this to be a broadly similar reduction to those of peer countries.

Using our hard-earned savings to address these challenges in our time of need is the right choice to make. I will, therefore, fully utilise the €1.5 billion rainy day fund and I will be bringing a resolution to Dáil Éireann this evening to bring this into effect.

This year's deficit will bring our overall national debt levels to just under €219 billion, or almost 108% of national income. This is an increase of just over €20 billion, or approximately 10.4 percentage points, on our projections in budget 2020. However, the increase in national debt needs to be seen in the context of the significant increase in private savings over the past few months.

There are limits to the overall levels of debt that are prudent to take on. We must manage and reduce our borrowing levels over the coming years to move our national finances back to a balanced position and to remain well inside eurozone levels of borrowing. We know what happens when risks develop in our national finances. We will not let that happen again. This will require decisions in the future about how we reduce our deficit and about our levels of spending and taxation. This is because the health of our national finances before this crisis is an essential ingredient in what we can do now.

The single most important step in that journey will be investing to bring our country back to work and to regain our public health. The key to reducing our deficit and managing our debt will be building employment. My Department will, therefore, publish an updated medium-term budgetary strategy as part of the stability programme update next year. The national economic plan, to be published next month, will also have a key role to play in mapping out our economic pathway for the coming years and for developing economic resilience in a post-Covid world. The plan will also progress the programme for Government commitment to develop well-being indicators. A paper setting out options in this regard is being published by my Department today.

In addition, my Department is also publishing an analysis of budget 2021 which provides clear evidence of its progressive nature and how it protects the most vulnerable in our society.

There remains a high level of uncertainty regarding the scale of the deficit for this year, even at this stage. This is because of the possibility of more stringent containment measures being implemented in the final quarter of the year and the associated budgetary costs.

BUDGET MEASURES

There will continue to be much uncertainty. Our key objective here today is to ensure that economic policy does not compound that uncertainty but helps to manage and mitigate it for individuals, for families and for businesses throughout the country.

I am today announcing a total budgetary package of more than €17.75 billion, more than €17 billion of which relates to expenditure while €270 million relates to taxation measures. This package is unprecedented in both size and scale in the history of the Irish State. The impact of this budget will be felt in every household and business across the country.

Of the nearly €18 billion, €8.5 billion is for our public services to address the challenges of Covid-19, including €2.1 billion in contingency funding; €3.8 billion will be spent on supporting existing services across a range of Departments, in particular the Department of Health; expenditure on core capital programmes will increase by €1.6 billion next year; and €3.4 billion will establish a recovery fund to stimulate demand and employment. Capital expenditure

will increase to €10.1 billion, the largest amount that has ever been allocated to investment in schools, homes and public transport. In addition, I am providing for a net tax package of €270 million.

RECOVERY FUND

As committed to in the programme for Government, I am announcing the establishment of a recovery fund worth €3.4 billion. This will provide significant additional resources to fund additional Government decisions next year. The fund will be targeted and will help to stimulate increased domestic demand and employment. Crucially, given the evolving nature of Covid-19 and Brexit, the fund will be flexible in its design in order to provide the Government with the means to react swiftly to a constantly changing environment. It will focus on three main areas: infrastructure development, reskilling and retraining, and supporting investment and jobs. It will support those in employment and those whose jobs have not survived the pandemic. This forms a cornerstone of our continued economic response in 2021.

SUPPORTING BUSINESS

I turn to the small-and-medium-sized enterprise, SME, community, as it will be central to our broader national recovery. It is the backbone of our domestic economy, supporting thousands of jobs across the country. The SME sector requires a range of supports as it recovers from the immediate impact of the pandemic and accelerated market and technological changes. These supports can take various forms, including the extensive supports already available through the July stimulus plan, such as the credit guarantee scheme and the Strategic Banking Corporation of Ireland, SBCI, working capital scheme.

To build on this, the Department of Finance is co-ordinating a group comprised of representatives from the Department of Business, Enterprise and Innovation, Enterprise Ireland, the Ireland Strategic Investment Fund, ISIF, the European Investment Bank, EIB, and the European Investment Fund, EIF. This group will report to me by mid-November with proposals to leverage European capital and establish an equity fund with a mandate to invest in domestic, high-innovation enterprises. The Government will provide an initial €30 million in funding through ISIF to support an appropriate and effective scheme, and thereby leverage matching funding for early-stage seed and growth capital.

In addition, as part of a continuing process of ensuring that our business supports remain efficient and responsive, my Department will this year initiate an assessment of how the employment and investment incentive scheme, EIIS, can be enhanced in light of the current crisis. In order to provide additional liquidity support for employers, I will provide for an extension of the tax warehousing scheme to include repayments of temporary wage subsidy scheme, TWSS, funds owed by employers and preliminary tax obligations for the adversely affected self-employed.

I am aware that not all self-employed taxpayers can benefit from the losses provision introduced in the July stimulus, but they will have suffered a significant drop in income and will struggle to pay their 2019 balance and preliminary tax for 2020. Therefore, I will provide that the debt warehousing provisions be extended to include the 2019 balance and 2020 preliminary tax to allow such taxpayers to defer payment for a period of a year with no interest applying; 3% will apply thereafter and will attract no surcharge.

FUTURE OF WAGE SUBSIDY SCHEMES

13 October 2020

On the TWSS, I am announcing today that the Government has begun the process to apply for EU funding towards its costs. This EU fund, known as SURE, or the European instrument for temporary support to mitigate unemployment risks, is part of the European response to help protect jobs and workers affected by this pandemic. This could result in Ireland accessing just under €2.5 billion. This funding will help to diversify sources of financing for the Exchequer over the coming period.

Similarly, this summer, the European Council agreed to establish a Brexit adjustment reserve. While the technical details of this fund are still being worked out, Ireland will seek to avail of these funds in the coming years, given the disproportionate effect Brexit will have on us.

We also need to meet the broader challenge of being responsive to the changing needs of the economy. The employment wage subsidy scheme is currently set to continue until 31 March 2021, however, a similar type scheme will be needed out to the end of 2021 to provide businesses with greater levels of certainty in the most uncertain of times. There will be no cliff edge to this vital scheme. It will continue during 2021 and the Government will decide on the form of its extension when economic conditions are clearer.

COVID RESTRICTIONS SUPPORT SCHEME, CRSS

I am very conscious that there are many sectors in our economy that have been particularly impacted by the Government public health restrictions. Indeed, some specific sectors have been temporarily closed from the outset of the pandemic, such as the entertainment and arts community as well as many pubs. Today, I am announcing a new scheme to provide targeted support for those businesses.

The scheme is designed to assist those businesses whose trade has been significantly impacted or temporarily closed as a result of the restrictions as set out in the Government's Living with Covid-19 plan. The scheme will generally operate when level 3 or higher is in place and will cease when restrictions are lifted. The sectors impacted by the current level 3 nationwide restrictions are accommodation, food and the arts, recreation and entertainment. If the Government decides to move to a higher level of restriction then other sectors may qualify.

For these businesses, the Government will make a payment, based on their 2019 average weekly turnover, to provide support at a difficult time. The scheme will apply to business premises where the Government restrictions directly prohibit or restrict access by customers. Qualifying businesses can apply to the Revenue Commissioners for a cash payment in respect of an advance credit for trading expenses for the period of the restrictions. It will be effective from today, budget day, until 31 March of next year and the first payments will be made to affected businesses by the middle of November. Payments will be calculated on the basis of 10% of the first €1 million in turnover and 5% thereafter, based on average VAT exclusive turnover for 2019. It will be subject to a maximum weekly payment of €5,000.

Once the scheme is operational and a county or region is subject to Government restrictions of level 3 or above, qualifying businesses can claim in week 1 and valid claims will be repaid for the entire period of the restrictions within two to three working days. Payments will automatically cease at the end of the Covid restriction period. If restrictions are extended, a subsequent claim can be made. It will operate on a self-assessment basis and qualification will require a business to demonstrate that its turnover has been severely impacted, that is, it may

not exceed 20% of the turnover for the corresponding period in 2019.

VAT

In relation to VAT, as part of the July stimulus I announced a reduction in the standard rate of VAT from 23% to 21% for the period 1 September 2020 to 28 February 2021. This was designed to provide assistance to a wide range of economic activities and, as such, benefits a broad range of businesses and traders. Today, in recognition of the unprecedented challenges facing particular and really important sectors of our economy, I am announcing a reduced VAT rate for the hospitality and tourism sector from 13.5% to 9% with effect from 1 November 2020. I have chosen to introduce this at the earliest possible moment to allow those businesses that are currently open to benefit. I am putting this reduced rate in place until December 2021 to provide significant additional support to businesses next year.

FURTHER BUSINESS SUPPORTS

I am extending the knowledge development box relief for a further two years until the end of December 2022. This is an OECD-compliant intellectual property regime that supports businesses in retaining and exploiting assets that have resulted from research and development activities in Ireland.

The film industry is one of many sectors badly affected by Covid-related shutdowns. Due to those shutdowns, much of the planned incentive effect of the section 481 regional uplift for 2020 was lost. I am therefore amending the scheme to provide for an additional year at its peak rate of 5%. The uplift will now be in place until 31 December 2023.

I am also announcing my intention to commence work on the development of a tax credit for the digital gaming sector with a view to supporting qualifying activity from January 2022 onwards. This is a sector that has seen exponential global growth in the past decade, and there are potential synergies with our established film and animation sectors to support quality employment in creative and digital arts in Ireland.

In view of the importance of energy efficiency at both domestic and international levels, and following a review of the scheme, I am extending the accelerated capital allowances scheme for energy efficient equipment for a further three years. In addition, the energy efficiency criteria for the scheme will be reassessed over the coming year to ensure the categories of equipment availing of the scheme remain appropriate and reflect the most up-to-date efficiency standards.

INCOME TAX

As was announced in the programme for Government, I am not making any broad changes to income tax credits or bands at this time. Our resources must be focused on saving jobs and on protecting our health. However, I will make some specific changes.

To ensure that the salary of a full-time worker on the minimum wage will remain outside the top rates of USC, the ceiling of the second USC rate band will be increased from €20,484 to €20,687, a move which will give a modest benefit to workers whose income is above that amount. Another related change is to the weekly threshold for the higher rate of employer's PRSI from €394 to €398 to ensure there is no incentive to reduce working hours for a full-time minimum wage worker. For the self-employed, I will fully implement a programme for Government commitment to equalise the earned income credit with the PAYE credit by raising it by

€150 to €1,650. To support families with caring responsibilities, I am announcing an increase in the dependent relative tax credit from €70 to €245.

REMOTE WORKING

Working from home, or remote working, has been an essential part of our response to the pandemic. The programme for Government includes a commitment to develop a strategy for remote working and remote service delivery. An interdepartmental group has already set to work on this. Without wishing to pre-empt the results of this group, I take the opportunity to highlight what is in place for remote working.

In cases where the employer makes payments towards the expenses of working from home, up to €3.20 per day may be paid to employees without a benefit-in-kind arising. Where the employer does not make a contribution, the worker may claim a tax deduction for utility expenses such as heat and light and, newly from 2020, the Revenue Commissioners have now confirmed that this may include the cost of broadband. Details will be set out in the Revenue guidance. Finally, claims may also be made for any other vouched expenses incurred “wholly, exclusively and necessarily” in the performance of the duties of their employment. HOUSING

I turn to one of the longer term priorities mentioned at the outset of this speech, which is housing. On the help-to-buy scheme, I am extending the July stimulus additional measures, the lower of 10% of the value of the property, or €30,000, to the end of next year.

I introduced the stamp duty residential development refund scheme in 2017. It provides for refund of a portion of the stamp duty paid on the acquisition of non-residential land where that land is subsequently developed for residential purposes. This scheme is due to expire at the end of next year. However, due to the impact on the sector of Covid-19, and also to certain issues that have been brought to my attention since its introduction, I propose to make a number of changes to it this year. These will see it extended to operations commenced by 31 December 2022 and the time allowed between commencement and completion of a qualifying project being extended by six months to two and a half years.

CLIMATE CHANGE

One of the most important priorities for this Government is undoubtedly climate change. Last week, the Government published the draft text of the climate action and low carbon development (amendment) Bill 2020. The Bill will set the country on course to become climate-neutral by 2050 by establishing climate targets in law.

In line with the programme for Government commitment, carbon tax will be increased by €7.50 from €26 to €33.50 per tonne of CO₂. This increase will be applied to auto fuels from tonight and all other fuels from 1 May next year. This increase is another important step in our collective efforts to decarbonise our economy. Measures which help to reduce our emission levels also help to improve air quality and public health. The additional revenue raised will be used to meet the goals set out in the programme for Government, which the Minister for Public Expenditure and Reform, Deputy Michael McGrath, will outline in more detail.

Legislation will be provided in the Finance Bill to increase the tax each year by €7.50 up to 2029 and by €6.50 in 2030 to achieve €100 per tonne of CO₂.

VEHICLE REGISTRATION TAX, VRT

At the outset it must be acknowledged that the current New Europe Driving Cycle, NEDC, system has been utterly discredited in undervaluing the emissions output of motor vehicles. Our CO₂-based VRT and motor tax regimes were taxing cars based on artificially deflated CO₂ emission levels. We need to transition our CO₂-based vehicle registration tax regime to the new more robust Worldwide Harmonised Light Vehicle Test Procedure, WLTP, emissions system from January next year.

This new regime will be based on emissions performance levels which are much closer to real world performance levels than is currently the case. The modified new structure of rates and bands for VRT and motor tax have been adjusted to take account of the fact that cars under the new test record higher CO₂ emissions. We have strengthened the environmental rationale of the VRT regime to encourage motorists who are in the market for a new car to make greener choices. To create a level playing field between new cars and used imports, which have been subject to different emissions tests, I am ensuring that used imports subject to the weaker emissions test will have their CO₂ values uplifted to a level equivalent with the WLTP test to which all new cars are subject.

VRT reliefs for plug-in hybrid electric vehicles and hybrids will be allowed to expire having regard to the fact that there will now be much lower VRT rates for low emission cars. I will also taper relief for battery electric vehicles. It should be noted that the changes to the VRT rates and bands compensates for the changes to these reliefs.

In addition, following on from its introduction in last year's budget, I am adjusting the nitrogen oxide, also known as Nox, surcharge bands so that higher Nox-emitting vehicles will pay more. It is essential that we take these measures now, as Ireland is way off course to meet our 2030 legally binding emission targets. MOTOR TAX

I will also make adjustments to motor tax to ensure a level playing field. Currently, nearly 500,000 cars are in the pre-2008 engine size-based regime and approximately 1.6 million cars are in the post-2008 CO₂-based regime. Rates will remain unchanged for all cars in the engine size regime and all but the most pollutant cars in the post-2008 regime. I am today opening a third motor tax table for cars registered from 1 January next year to take account of the introduction of the worldwide harmonised light vehicles test procedure, WLTP.

TOBACCO

I am also increasing excise duty on a pack of 20 cigarettes by 50 cent, with a *pro rata* increase on other tobacco products. This will bring the price of cigarettes in the most popular price category to €14 and supports public health policy to reduce smoking levels in our society.

STAMP DUTY

Consanguinity relief, which provides for a reduced 1% rate of stamp duty on transfers of agricultural land between family members, is due to expire at the end of this year. I propose to extend this relief for a further three years to 31 December 2023.

Furthermore, in the Finance Act 2017 I introduced a relief which provides for a stamp duty rate of 1% to apply where the transaction concerned is part of a farm consolidation. The relief was introduced to encourage farmers to consolidate their holdings and increase the efficiency and viability of their farms. It is currently due to expire on 31 December this year, but I can confirm that it is to be extended by two years to the end of 2022. This will serve to align the

next review date with its capital gains tax, CGT, equivalent. In addition, I am increasing the farmers' flat VAT rate addition from 5.4% to 5.6%, with effect from 1 January.

CORPORATION TAX

Over the course of this year just under €7.5 billion in corporation tax receipts has been generated for the Exchequer. This has played an essential role in funding pandemic-related expenditure. This reinforces the benefits to our wider economy of our long-standing commitment to a stable and transparent corporation tax regime, and I would like to take this opportunity to again reaffirm Ireland's commitment to the 12.5% corporation tax rate.

I will publish an update on Ireland's Corporation Tax Roadmap. This will reflect on the significant action taken to date on corporation tax reform and outline further areas for consideration, consultation and action over the coming months and years. The update on the roadmap will also consider further the reports published by the Organisation for Economic Co-operation and Development, OECD, on the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, BEPS, just yesterday, outlining its work to address the tax challenges of digitalisation. Further work is needed at international level. What is certain, however, is that change is inevitable.

Agreement at the OECD would present challenges for Ireland as changes to the international tax framework would see a reduction in the level of profits taxable here. Failure to reach agreement at the OECD would also have negative consequences for the Exchequer. This work will reach a crucial stage next year. Decisions will be needed and the future direction of the global and European corporation tax landscape will be decided upon. In this context, to ensure that Ireland's tax regime for intellectual property is fully consistent with international best practice, I am amending the legislation to provide that all intangible assets acquired after today will be fully within the scope of balancing charge rules. I will be moving a Financial Resolution to allow this change to take immediate effect. While the new rules are not expected to result in significant additional tax revenue given the current profile of claims, they will ensure that our tax regime for intellectual property, together with the broader corporation tax regime, remains competitive, legitimate and sustainable. As part of our commitment to international tax reform, we have been transposing the EU anti-tax avoidance directive, ATAD, since budget 2019 and will continue to do so next year with the introduction of interest limitation and anti-reverse-hybrid rules. I will be making a technical amendment this year to our ATAD-compliant exit tax rules to clarify the operation of interest on instalment payments. The clarification will be introduced with effect from tonight, by way of financial resolution.

COMMISSION ON TAXATION AND WELFARE

Finally, looking to the future financial sustainability of the Exchequer, the programme for Government committed to the establishment of a commission on welfare and taxation. It will independently consider how best the tax system can support economic activity and promote increased employment and prosperity, while ensuring there are sufficient resources available to meet the costs of public services and supports in the medium and longer terms. This will be essential for putting the public finances on a sustainable basis in the coming years. The commission will have particular regard to the impact of the Covid-19 pandemic, as well as long-term developments such as ageing demographics, the move to a low-carbon economy and the rise of digital disruption and automation. It will review all existing tax measures and expenditures and have regard to such practices in other similar-sized open economies in the OECD. In the

coming weeks I will bring forward further details on the membership of the commission, its resources and its terms of reference.

CAPITAL GAINS TAX

In relation to capital gains tax entrepreneur relief, I am amending the ordinary shareholding requirement so that an individual who has owned at least 5% of the shares for a continuous period of any three years qualifies for this relief. Previously, a person had to own at least 5% for a continuous period of three years in the five years immediately prior to the disposal. This introduces a greater ability for a person to expand their business without worrying about losing this relief. The fact that they will still be required to work in the business for three out of the five years before disposal means that the easing of the ownership restriction does not benefit passive investors. In addition, I will bring forward a financial resolution tonight to make a technical amendment to the capital gains tax legislation to address an avoidance issue.

TAX APPEALS COMMISSION

An effective appeals process is, along with this work, an essential element of a fully functioning tax system. In July I appointed the inaugural chairperson of the commission. The new chairperson is responsible for delivery on the commission's mandate and I am pleased and encouraged to state that the commission is now making progress in reducing the backlog of appeals.

CONCLUSION

I wish to conclude by paying tribute to the heroes of this period, both seen and unseen. The additional supports announced today will play an essential role in helping them in the coming year. I also wish to extend my sympathies to all those who have lost life and health. Today's budget is the largest in the history of the State. This is, without question, the appropriate response and the Government remains steadfast in our determination to provide as much economic certainty as possible to allow homes and businesses to plan for the future. This will be done through capital investments in our future worth more than €10 billion, new interventions such as the Covid restriction support scheme and the maintenance of continued flexibility, such as through the recovery fund worth €3.4 billion.

This year, 2020, may be recorded as the most challenging year we have faced as a nation. To everyone who has experienced fear, stress and anxiety, let me state unequivocally that there is hope and that we will come out of this crisis. As Seamus Heaney once said, "if we winter this out, we can summer anywhere". So, as the evenings shorten and the leaves change colour, we recommit ourselves to the road ahead. I cannot say for certain how long the journey will take, but I can say that we all have roles to play, collectively and as individuals, for the benefit of ourselves, each other and our country. The Government will do its part, and we, as citizens, both young and old, now need to continue to do our best to combat and then defeat the common enemy - this disease. The stronger our response, the sooner we will complete this journey.

With this, I commend this budget to the House.

Minister for Public Expenditure and Reform (Deputy Michael McGrath): The backdrop for budget 2021 is a truly remarkable one.

INTRODUCTION

13 October 2020

At the same time, our country and our people are confronted with a once-in-a-century global pandemic and a generational shift in our relationship with our nearest neighbour, the United Kingdom.

Covid-19 has changed completely the way we live our lives. While the damage to our economy has been immense, the ultimate cost of this virus is in the lives it continues to take.

Covid-19 has also brought out the best in us. I think, of course, of the staff across our health service, of our gardaí, of all those providing the front-line services we need when things go wrong, and I think, too, of our cleaners, our shop workers, our care assistants, our hospitality staff, and so many other essential workers, and I think of the thousands of volunteers in communities across the country who have reached out to help others in recent months.

The essential task of the Minister, Deputy Donohoe, and mine today is to give our people hope - hope based on realism, hope based on a plan and hope backed up with a commitment to invest a record amount of public resources to support our economy and our society. The exceptional strength and resilience of our nation means we will get through this.

As the Taoiseach has said on many occasions, we need to protect lives and to protect livelihoods. This is our mission. These are the guiding principles that shape our approach to budget 2021.

This is why we are investing a record amount in our health service to ensure it can cope with Covid-19 but also to make permanent improvements that will be there long after the virus is gone. This is why we are providing more than ever before to build the homes our people need. This is why we are introducing the largest and most ambitious budget in the history of our State to support our economy, businesses and households.

The day will come when Covid-19 is behind us. The day will come when there is no more talk of Brexit. Everything will not go back to the way it was before, nor do we want it to, because we are committed to making things better. A new, green economy will emerge, and so too will a greater understanding of how much we all really rely on each other, and a greater appreciation of the many simple things that perhaps we too often take for granted.

The task for this Government is to guide the country through one of the most difficult periods in our history. We will not always get it right, but our sole motivation at all times will be to act in the best interests of the people we are privileged to serve.

SOCIAL AND ECONOMIC SUPPORTS IN 2020

I will shortly outline our budget plans for 2021. However, I believe there are immediate measures that we need to take this year to protect our economy and our society. For this reason, I am providing €500 million in additional expenditure measures to support our businesses and our communities. This is in addition to the tax measures announced by the Minister, Deputy Donohoe, which come into effect in 2020.

I am announcing a further commercial rates waiver for the final quarter of this year at a cost of €300 million. This will provide significant relief for businesses, and brings to €900 million the total amount of local authority rates waived in 2020.

In refunding 100% of this amount to local authorities, the Government is ensuring that councils are supported to deliver key services to our local communities. The services delivered

by Irish Water are critical to unlocking housing supply across our country. The Government is therefore investing an additional €44 million in Irish Water over the remainder of this year to deliver a range of infrastructure improvements.

I am also immediately providing an additional €80 million to the Department of Education and Skills to support its school building programme, ICT and minor works schemes.

Many families throughout our country rely on the invaluable services provided by a range of voluntary disability service providers. Today, I am very pleased to announce an additional €20 million in current year funding for voluntary disability service providers to support the transforming lives programme.

We are all aware of the extraordinary support provided by voluntary hospices to people in their darkest hour. In recognition of this and given the particular fundraising challenges they have faced in the past six months, I am providing €10 million in current year funding to voluntary hospices.

I am also announcing today an additional €10 million for the Covid-19 stability fund for community and voluntary organisations, charities and social enterprises in respect of the outstanding work they continue to perform throughout our country.

EXPENDITURE STRATEGY

Our budget for 2021 is prepared on the basis that we will continue to live with Covid-19 into next year and that a free trade agreement between the EU and UK will not be agreed. Given the uncertainty on both fronts, this is a prudent approach. It means making available additional resources for our health service and for income and business supports. It means providing the necessary funding to deal with all Brexit scenarios. However, our priorities extend beyond this. We are determined to deliver on programme for Government commitments including Sláin-tecare, building more houses, greening our economy and supporting labour market activation and training. Delivering across all of these areas requires an unparalleled response from the Government. Therefore, I am committing to a budget in 2021 that will see public expenditure increase by €17.4 billion over and above the planned expenditure for 2020 pre-Covid.

€8.5 billion is being provided for Covid-19 supports. Of this, €6.4 billion will be allocated to Departments in 2021 to ensure our health service can respond to the demands of Covid-19, to extend personal income and business supports, to keep our schools open and to maintain public transport services. The remaining €2.1 billion will be held in contingency and will be made available as needed to respond to the challenges posed by Covid-19.

As we address the challenges of this pandemic, I am fully conscious of the need to continue to deliver vital day-to-day public services and improve them where we can. Therefore, I am allocating an additional €3.8 billion in core current expenditure across Departments in 2021. Some €340 million of voted expenditure will be spent on Brexit supports in 2021. This includes an additional allocation for compliance expenditure in 2021 to finalise work at our ports and airports and provides for an additional 500 staff, bringing the total provision to approximately 1,500 staff for operationalising checks ahead of 1 January.

I am adding a further €600 million to our capital budget in addition to a planned increase of €1 billion for 2021 under the national development plan. Taking into account capital expenditure related to Brexit and Covid measures, this will bring the total Exchequer investment in

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capital to over €10 billion for the first time ever and will deliver on key projects in the areas of climate, healthcare, public housing, transport and education.

Finally, as highlighted by the Minister, Deputy Donohoe, a €3.4 billion recovery fund is being provided to address evolving specific economic needs as they arise.

The scale of this budget package is unprecedented, but it is the right response given the gravity of the challenges we face on multiple fronts.

2 o'clock

HEALTH

Our experience of Covid-19 has reminded us all that our health service is a core public good, important not only for medical services but a bedrock of the nation's social and economic well-being. To support the health system through this crisis, the Government has already moved quickly to deliver additional capacity in our hospitals, develop the testing and contact tracing system and provide for the purchase of PPE. We have also provided in full for the HSE's 2020-21 winter initiative.

I confirm that Ireland has signed up to EU advance purchase agreements in respect of potential Covid-19 vaccines so that, when a medically approved vaccine becomes available, we will be in a position to benefit from it.

Even before Covid-19 arrived to our country, our health service faced deep-seated and systemic challenges, and for too long the resources we have allocated have failed to resolve them. Addressing these challenges requires a step change in our approach. We must grasp the nettle, implement Sláintecare and redouble our commitment to a publicly funded, universally accessible health service.

In 2021, I am making available an unprecedented extra €4 billion for our health service. These resources will provide capacity for 100,000 tests per week, supply PPE where needed and continue into 2021 all of the necessary Covid-19 action plan measures that have been put in place since March.

As well as dealing with Covid-19, we must build up permanent capacity and resilience in the health service in line with the health service capacity review. The funding I am making available today will allow significant progress in this direction. With these resources, the Department of Health and the HSE will deliver the following changes next year: an additional 1,146 acute beds; an increase in permanent adult critical care beds from 255 pre-Covid to 321 by the end of 2021; 1,250 community beds next year, including more than 600 new rehabilitation beds; and 5 million additional home care hours following on from the 19 million provided in 2020, which will help to alleviate community waiting lists for home care and support hospital avoidance and delayed discharges. Funding in 2021 will support the implementation of the Sláintecare public-only consultant contract and the accelerated implementation of a number of national strategies, including the national cancer strategy, the national maternity strategy and the national trauma strategy as well as the roll-out of other social care strategies. Some €5 million will be dedicated to the development of community-based dementia services and supports. Funding is also provided to cancer screening to create greater resilience in the cancer services pathway. Some €50 million is being made available for new drugs and €25 million for Healthy Ireland and the national drugs strategy.

The funding we are providing will support immediate actions to address waiting lists with approximately 100,000 additional inpatient and day care procedures through investment in public hospitals and utilisation of spare capacity in private hospitals and via the National Treatment Purchase Fund.

I am delighted that mental health services are being prioritised in this budget, especially given the very difficult year our people have had. Some €38 million will be available to implement new measures under Sharing the Vision, our national mental health strategy.

Another priority area for the Government is that of disability services. For this reason, €100 million is being provided for new disability measures next year. This will provide supports for approximately 1,700 school leavers, deliver the resumption of day services, promote disability integration, and deliver respite services, decongregation and increased personal assistant hours. Importantly, these measures will be supported by up to 16,000 additional posts across the health sector.

The professionalism and spirit of our healthcare and front-line workers have been inspiring. Our rapid move to telephone triages, online prescribing, shorter hospital stays and innovative community care measures have all unlocked a path forward for us in modernising our public health system, and we must move forward along this path next year and in future years.

INVESTING IN CAPITAL EXPENDITURE

Our investment in capital projects will be a key part of moving our economy forward in the years ahead.

This is the right time to invest in improving infrastructure across the country. It makes clear economic sense for so many reasons. In direct response to Covid-19, €500 million was provided as part of the July stimulus to accelerate capital works and to generate jobs and economic activity across all regions of the country. Together with the additional €600 million I am providing for core capital investment in 2021, the State will, for the first time in our history, deliver more than €10 billion in Exchequer resources for critical projects across all regions of Ireland.

These projects include the construction on a range of major road projects such as the N56 in Donegal, the N4 in Sligo, the N5 in Mayo, and the N22 and Dunkettle interchange in Cork. There will be funding for the purchase of 41 additional intercity railcar carriages and signing of contracts for the largest ever fleet expansion, with potential for up to 600 electric carriages as part of DART+. This will ensure our economic recovery is a green one. In higher education, more than €270 million will support up to 20 higher education building projects. A total of 145 school building projects will be delivered. Funding of €132 million for the national broadband plan will help to connect thousands of homes and businesses to high-speed fibre next year. Capital expenditure on defence will increase to €131 million. This will facilitate a programme of sustained equipment replacement and renewal and infrastructure development across the Army, Air Corps and Naval Service. The Government is committed to supporting investment in our ports and airports, including at Dublin Port and Rosslare Europort. In addition, a €10 million provision is being made to address challenges facing Cork and Shannon airports. The Government looks forward to working with our EU colleagues to deliver a common approach to aviation travel during the Covid-19 crisis.

To ensure our capital spending supports regional development and to align with programme for Government priorities, a review of the national development plan will be launched shortly.

This will result in a revised and even more ambitious plan for the next decade.

SHARED ISLAND

Twenty-two years ago, the Good Friday Agreement helped to bring peace to our island. This Government is committed to practical measures to increase co-operation North and South and to help deliver the full potential of the all-island economy. Building a shared island is a key commitment in the programme for Government and, to this end, we have established a shared island unit in the Department of An Taoiseach. Today, I am announcing new multi-annual capital funding for the shared island initiative of €500 million over five years. This will foster new investment and development opportunities on a North-South basis and support the delivery of key cross-Border projects, as set out in the programme for Government.

HOUSING

It is a basic need in life to have a secure place to live. Regrettably, for too many in Ireland, that need remains unfulfilled. Too many of our people are homeless, on social housing lists and caught in an affordability trap. For years now, supply has failed to keep pace with demand. Rising rents and house prices have pushed home ownership out of reach for far too many. We need a radical reappraisal of how we deliver housing. When our country was much poorer than it is today, we were able to deliver public housing in very significant numbers. We can and will do this again.

While a mix of supply channels is required, including units built by the private sector, the State needs to place a much greater emphasis on directly building new social and affordable housing. What is required is a sustained, multi-annual, large-scale building programme that adds to the overall stock of housing. The Government is fully committed to this. Doing it will increase supply, alleviate price pressures in the market and make housing more affordable for families.

Today, I am providing €5.2 billion to the Department of Housing, Local Government and Heritage in 2021. This is an increase of €773 million on 2020 and a record level of funding. An extra €500 million will be directed towards capital expenditure and will facilitate the construction of 9,500 new social housing units in 2021. A total of 12,750 units will be added to the social housing stock, including leased units.

There will also be a total of €65 million available to fund deep retrofitting of our social housing stock.

The current expenditure allocation of €2.4 billion in 2021 will support an additional 15,000 housing assistance payment tenancies and 800 rental accommodation scheme tenancies. This means that approximately 85,000 tenancies will be supported through these schemes next year.

I am providing an additional €22 million to support homelessness programmes, including additional beds and the introduction of a cold weather initiative. Funding of €13 million will ensure that social housing stock is brought back into use quickly. The result of the recent Call for Housing initiative will increase the number of one-bed units available for the Housing First scheme. Tackling homelessness is a top priority for this Government, and we will do all we can to make urgent and tangible progress on this critical issue.

The delivery of affordable housing is a key objective of this Government. Thousands of

individuals, couples and families find themselves locked out of the property market by high rents and an inability to save a deposit. I am allocating an affordability package of €110 million for 2021 to provide for affordable housing and cost-rental schemes. The serviced sites fund and the local infrastructure housing activation fund will progress the delivery of more than 2,000 affordable homes on private and public land next year.

The Land Development Agency will play a major role in the Government's affordable housing strategy in 2021 and beyond. Upon enactment of the legislation, the agency will have more than €1.2 billion of funding available to it to progress a range of projects already under way. This funding, matched with other financing arrangements, will deliver nearly 9,000 affordable housing and cost rental units in the coming years. A total of €210 million is being made available for lending under the Rebuilding Ireland home loan scheme.

To build social, affordable and private residential units, we need land to be made available in key strategic locations and for that land to be serviced. The increased capital funding will also allow for an additional €90 million investment in critical water infrastructure projects, including wastewater services, water quality and leakage reduction, as well as playing a critical role in facilitating housing delivery and delivering environmental compliance.

The Government is also conscious of the importance of maintaining our heritage sites and protecting our biodiversity, and today I am providing for an additional €29 million in funding. This will be spread across built heritage, the National Parks and Wildlife Service and peatlands restoration, and will allow for the implementation of a number of programme for Government commitments in this area.

LABOUR MARKET SUPPORTS

At the peak, the State was supporting the incomes of well over a million people of working age. Young people and people on modest incomes have been most affected by the economic impact of Covid-19. To support them, the July stimulus provided an extension of the pandemic unemployment payment and the employment wage support scheme to 1 April next year; €200 million for training, skills development, work placement schemes, recruitment subsidies, and job search and assistance measures; 35,000 extra places in further and higher education; and further supports for apprenticeships.

Many of the jobs of the future will be different, and the schemes we are funding need to adapt and reflect this. In particular, we will see an increased emphasis on digital upskilling across a wide range of sectors. I am acutely aware of the huge impact that Covid-19 has had on the lives of our young people. Many have had their careers and their lives put on hold. Those entering our labour market from our schools and universities face real uncertainty. The need to respond has never been more urgent.

Funding for the Department of Employment Affairs and Social Protection will support the incomes of at least 370,000 jobseekers in 2021 and a further 350,000 individuals on the employment wage subsidy scheme. Additional funding through the Department with responsibility for higher and further education will support more than 10,000 upskilling and reskilling opportunities through SOLAS and Skillnet Ireland, including the Skills to Advance and Skills to Compete programmes, with 1,500 of the places for retrofitting courses, supporting employment in our emerging new green economy; and 4,000 new apprentices will be provided under the apprenticeship incentive scheme.

ENTERPRISE SUPPORTS

The year 2020 has been a devastating one for many businesses throughout the country. In responding to Covid-19, Government provided an unprecedented level of support through the July stimulus, which included the employment wage support scheme to run into 2021; further restart grants for enterprises; the commercial rates waiver, now extended to the end of this year; a €2 billion Covid-19 credit guarantee scheme; and other business finance measures, including supports for start-ups and SMEs.

As we continue to live with Covid-19 restrictions, the onus is on Government to provide supports to help sustainable enterprises survive. The Minister for Finance has already set out a range of important tax measures. In addition to these, I am allocating €1.1 billion to the Department with responsibility for enterprise, trade and employment to deliver supports through our local enterprise offices and Enterprise Ireland, including the regional enterprise development fund and the sustaining enterprise fund to assist SMEs and companies with the negative impact of Covid-19; further funding for research and development through the Covid products scheme and additional expenditure on IDA Ireland's regional property programme to support investment in Ireland; and the credit guarantee scheme and the future growth loan scheme to ensure that liquidity supports are in place to assist firms. Additional current expenditure will also be provided to enterprise agencies and regulatory bodies to meet the increase in the demand for their services arising from Covid-19 and Brexit.

High insurance costs, and indeed the very availability of insurance cover, is a critical issue for businesses. This Government is determined to make progress in this area. A Cabinet sub-committee, chaired by the Tánaiste, has been established, and I look forward to working with the Minister, Deputy Donohoe, and other Cabinet colleagues to deliver the insurance reforms outlined in the programme for Government.

SECTORAL ENTERPRISE SUPPORTS – TOURISM, ARTS, CULTURE, GAELTACHT AND SPORT

With employment pre-Covid of 260,000 people, the tourism and hospitality industry is hugely important in cities, towns and villages throughout the country. Given its reliance on overseas visitors and the ongoing restrictions on activities, our tourism industry has been hit very hard by the pandemic. Alongside the extensive tax measures announced by the Minister, Deputy Donohoe, I am providing an additional €55 million for a tourism business support scheme and €5 million for tourism product development. These schemes will also be a vital support for the wider hospitality sector. I am pleased to announce that additional funding of €14 million will be provided for the Gaeltacht and Irish language sector next year, bringing its funding allocation to over €78 million, with €8 million being provided for Údarás na Gaeltachta, €2.8 million for Irish language and Gaeltacht support schemes, €1.7 million for An Foras Teanga, and €1.3 million for the 20-year strategy for the Irish language.

Covid-19 has had a devastating impact on arts, cultural and sporting activities. The spaces that brought us together, often in celebration of some of our most talented people, for now lie empty and silent. As they do, it is the responsibility of Government to ensure that the thousands of people working in these industries are supported. Therefore, I am providing €50 million in live entertainment supports, and Arts Council funding is increasing to €130 million, which is a €50 million increase on last year's allocation. I am also providing an increase of €36 million in funding for Sport Ireland, €7 million for large-scale sports infrastructure, and €2 million for

major sporting events. Finally, I am providing an additional €3.5 million for Teilifis na Gaeilge next year.

CLIMATE CHANGE

While managing Covid is uppermost in our priorities this year and next, the climate emergency represents a threat that will be with us long after Covid-19 has gone. It threatens nothing less than our safe future on this planet. The programme for Government commits to a transformative approach in how Ireland deals with climate change, and it is imperative that all of Government and all our policies are pointing in the one direction. Publication of the new climate action Bill is an important step, committing us to ambitious, binding targets to achieve climate neutrality in just 30 years.

As the Minister for Finance has announced, the carbon tax will be increased in this budget. However, we have always been clear that the carbon tax is not designed to raise revenue for the Government. Every single additional euro raised by this increase will be returned to citizens through a package of supports to protect vulnerable people, to secure a just transition, and to reduce our carbon footprint.

I will set out the social welfare changes shortly but I can confirm that an additional €100 million of carbon tax revenues will be provided for investment in the energy efficiency of our homes. This is an 82% increase in funding compared with 2020 and will greatly expand existing grant schemes, including the warmer homes scheme, where we recognise that current waiting lists are simply too long. Additional funding will also be provided for new energy efficiency schemes, including the national home retrofit scheme, which will support home owners who want to upgrade the energy efficiency of their home to a B2 rating. This will lower greenhouse gas emissions while also supporting thousands of additional jobs in the construction sector. Further resources are being provided to the Department and the Sustainable Energy Authority of Ireland, SEAI, to implement these structural changes.

Investment in public transport is an essential part of our climate transition and green recovery, and I am allocating an additional €1 billion in this area in 2021. The significant increase in allocation will fund progress on major Project Ireland 2040 programmes including: BusConnects, MetroLink and the DART expansion programme; the ongoing development of a range of active travel and greenway infrastructure projects; the enhancement of bus, rail and Local Link services throughout the country; and will ensure the continuation of services even with reduced capacity restrictions due to Covid-19. The programme for Government commitment to the purchase of electric vehicles is an important milestone in green public procurement. This will enable increased deployment of electric vehicles across the public service fleet, combating climate change while also delivering value for money. The climate crisis is no longer on the horizon; it is the great challenge of our generation. We must act now to climate proof our economy and society for future generations.

EDUCATION

An investment in education is an investment in our children's future and is also a wise investment in the future of our country. While recent months have presented extraordinary challenges for our education system, many of us have witnessed the huge efforts of our teachers, SNAs, principals and many others working across the education sector. Without their support and commitment, we would not have been able to see the return of almost 1 million pupils to

schools this autumn.

The 2021 allocation for the Department of Education and Skills is almost €8.9 billion. The funding will allow Government to invest €2 billion, a record allocation, to support children with special education needs. This will allow for the hiring of 990 additional SNAs and 403 additional teaching posts. This will mean that, at 18,000, we will have more SNAs in schools than ever before and over 17,500 special education teachers. This will support additional special classes and the further roll-out of the school inclusion model from September 2021.

I am delighted to announce today a further reduction in the staffing schedule at primary level. I am reducing the pupil teacher ratio by one point to 25:1 by providing for over 300 mainstream teaching posts. This is in addition to over 265 posts I am providing to meet demographic pressures across primary and post-primary levels. I am also providing funding for teacher education to address the shortage of post-primary teachers in maths, physics and Spanish.

RESEARCH AND HIGHER EDUCATION

For the past 50 years, significant investment in education has led to national economic and societal development and well-being. The Ireland of today has a flexible, skilled, well educated workforce which has helped the country's economy to diversify successfully in areas such as life sciences, environmental technology, ICT, financial services and agrifood. This investment has also brought greater equality, social mobility and participation in civil society. With the emergence of the high technology and information economy, education has been pivotal to Ireland's success in attracting foreign direct investment. The growth and success of indigenous firms, both those exporting and those serving the domestic market, has depended in significant respects on the availability of a highly skilled and educated workforce.

In acknowledgment of the additional potential of this area, the Government has established the Department of higher and further education, research, innovation and science. The €3.3 billion allocation to the Department in 2021 will provide for a range of initiatives, including approximately 5,000 places to accommodate demographic changes and exceptional demand arising from the calculated grade model on this year's leaving certificate and 1,500 Springboard places. I am also increasing the SUSI fee grant for postgraduate study by €1,500 to €3,500 and adjusting the income eligibility threshold for the grant. Finally, an additional 200 places will be supported in third level through the 1916 bursary fund.

The Government recognises the particular difficulties caused by Covid-19 in so many different ways for full-time third level students in this academic year. As a consequence, I am providing once-off funding of €50 million for extra supports for students across this sector and the Minister will set out the details shortly. As we face the challenges of the future, I believe that all of this significant investment across the sector will deliver long-term benefits for our society and our economy.

SOCIAL PROTECTION

Over a long period our social welfare system has successfully reduced inequality and poverty in our society. Now more than ever, it must continue to protect our most vulnerable citizens. I am announcing a social welfare package of €510 million and committing to maintaining headline rates of social welfare in 2021. I am also committing to a number of targeted improvements in our social welfare code. I am increasing the living alone allowance by €5 to €19. This will help to protect thousands of elderly people who are at risk of poverty and people

with disabilities. I am increasing the fuel allowance by €3.50 per week to €28 to compensate those on lower incomes for the additional energy costs they are likely to incur due to carbon tax changes. I am increasing the qualified child payment by a further €5 for over 12s and €2 for under 12s. This protects low income families and will reduce child poverty. In framing this package, the Government has drawn on research from groups such as the Vincentian Partnership to protect those who are most at risk of poverty. In addition to these measures, I am increasing the carer's support grant by €150 to €1,850 per year. I am extending parent's benefit by a further three weeks and for self-employed recipients of the pandemic unemployment payment, PUP, I am introducing an earnings disregard to allow them to take up intermittent work without losing their benefit.

I can confirm to the House that, in line with the programme for Government commitment, the planned increase in the pension age to 67 on 1 January 2021 will not proceed. A pensions commission will be established and the Government will consider the commission's report in due course.

Deputies will be aware that the Christmas bonus is traditionally paid each year to those who at the start of December are in receipt of a long term social welfare payment and to job-seekers who have been supported by payments for longer than 15 months. Given the unprecedented circumstances and for this year only, I am reducing the 15 month requirement to four months. The vast majority of those currently in receipt of the PUP will receive the Christmas bonus if they remain out of work at the start of December. Payment will be made to all qualifying recipients in the first weekend of December.

AGRICULTURE AND RURAL DEVELOPMENT

Supporting our farmers and rural communities as they respond to Covid-19 and Brexit is an important policy objective for this Government. To support the sector, I am allocating €1.8 billion to the Department of Agriculture, Food and the Marine in 2021. This is an increase of €179 million on the 2020 budget allocation and will provide funding to implement the necessary controls for agrifood exports to, and imports from, Britain after the end of the Brexit transition period this year. It will also fund a new food ombudsman and a range of new agri-environmental pilot schemes to be rolled out across 2021, as well as the continuation of many agri schemes across the sector.

I am also allocating €341 million to the Department of Rural and Community Development in 2021. This is a 7% increase and provides for an additional €15 million in capital funding to support the rural regeneration and development fund, the town and village renewal scheme and the outdoor recreation infrastructure scheme. Under the town and village renewal scheme there will be a €5 million investment in facilities for digital hubs and broadband connection points across rural Ireland aimed at enhancing remote working capability and remote access for students. The remaining capital funding will support increased investment in the islands and in the LEADER, local improvement and CLÁR schemes.

JUSTICE/SAFER COMMUNITIES

Turning to justice, I acknowledge the very important role played by our gardaí and other emergency services in recent months. We have all witnessed at first hand their invaluable work in protecting our most vulnerable people and supporting communities.

As part of the additional 2020 measures I referred to earlier, an extra €7.5 million is being

provided for the Garda fleet. This will provide for the purchase of additional Garda vehicles, the continuation of hired community vehicles, and increased telecommunications and vehicle fit-out improvements. To support An Garda Síochána further in 2021, I am allocating an additional €147 million to the justice sector, an increase of almost 6%. Over €27 million will go towards Covid-19 supports, with the balance of additional funds providing up to 620 new Garda recruits to add to the predicted end-2020 force number of 14,500; recruitment in the region of 500 staff for administrative roles to facilitate the continued redeployment of trained gardaí to front-line policing; funding for the inquest into the Stardust tragedy; Courts Service modernisation and funding for Prison Service compensation schemes; the implementation of protections for vulnerable witnesses in sexual offence cases on foot of the O'Malley review; and funding for the Parole Board.

I am also increasing capital investment across the justice sector by more than €50 million next year. This means that in excess of €258 million will be available to support further investment in ICT for An Garda Síochána and the Courts Service, construction of the Forensic Science Laboratory, and the redevelopment and modernisation of Limerick Prison.

CHILDCARE

The Government is continuing its commitment to support children and young people and those persons who come to this country seeking international protection. I am, therefore, pleased to announce an additional allocation of €120 million for the Department with responsibility for children, equality, disability, integration and youth, a 6% increase on 2020. This allocation provides an additional €61 million for Tusla; €25 million for international protection seekers accommodation; €5 million for youth services and organisations; and a further €30 million for the delivery of other services within the Department and agencies under its aegis. The provision to the Department includes a €638 million investment in early years and gives continued support for both universal and targeted subsidies under the national childcare scheme in 2021.

OFFICIAL DEVELOPMENT ASSISTANCE

The Government is playing its role in the international community. Therefore, I am providing an additional €30 million to the Department of Foreign Affairs in 2021. This funding will see our official development aid package increase to €867 million. Together with our participation on the UN Security Council, where we are now at the heart of decision-making on matters of vital importance, our continued investment in overseas aid will enhance and strengthen our presence internationally.

EXPENDITURE REFORM

Looking ahead, we must be agile in our response to the many challenges we face and I believe that this budget delivers on that. However, the resources available to Government are not limitless. Over the medium term, we will have to ensure that our approach to public expenditure is sustainable. Now more than ever, taxpayers' money needs to be focused on outcomes. The money we spend must lead to better services for our people, and every part of Government will need to ensure value for money is achieved. This will be delivered through reforms to the public spending code, particularly around how we manage larger capital projects. Initiatives such as the spending review process, performance budgeting and equality budgeting will also have an important role to play.

Economic progress is about much more than GDP or, indeed, the scale of resources allo-

cated on budget day. It is about how successful we are in improving public services, about how we care for and provide for one another, and about the quality of life in our communities and in our environment. I am, therefore, committed to developing a well-being budget framework to present a balanced picture of how Irish society is progressing, and to guide how we allocate resources in future. Further details of this and other initiatives are outlined in the expenditure report and in the citizen's guide to the budget, both of which are published today.

CONCLUSION

We do not have to look far into our history to see moments of great uncertainty for our country. We have faced what have often seemed like insurmountable challenges. However, what is common across these periods of great difficulty is that we have always come back stronger. While there is no doubting that the weeks and months ahead will be difficult and, of course, the journey ahead is uncertain, we must not lose faith in ourselves, our communities and our country to meet these challenges, as we have done in the past. I assure the Irish people that this Government will do everything in its power to protect our people. Ireland will get through this. We will stand together and we will persevere. The budget puts in place the foundations for our economic recovery and a brighter future for all our people. In 1963, President Kennedy stood in our national Parliament and said: "It is that quality of the Irish, the remarkable combination of hope, confidence and imagination, that is needed more than ever today." These words are equally relevant today. Let all of us who share this island, from wherever we come, now move forward with a renewed and shared sense of confidence in the hope of a better tomorrow.

I commend this budget to the House.

Deputy Pearse Doherty: I wish to share time with Deputy Mairéad Farrell.

An Ceann Comhairle: Is that agreed? Agreed.

Deputy Pearse Doherty: Today's budget comes at a time like no other, a time of great uncertainty and, for many, hardship. Covid-19 has upended and disrupted the lives of us all.

Táimid ag déileáil leis an cháinainnéis seo ag am iontach annamh. Seo am ina bhfuil a lán neamhchinnteacht agus do go leor, seo am an chruacháis. Bhí tionchar ag Covid-19 orainn uilig agus tá ár saol bun os cionn mar gheall air sin.

It has impacted people in different ways. Citizens with disabilities face unprecedented challenges, with many at breaking point. Families have seen their incomes drop and they worry how they will cover their bills at the end of the month. Our health service, underfunded and mismanaged by Fine Gael for a decade, is under severe pressure like never before. Businesses are fighting for their very survival. This budget needed to respond to this and the continuing threat posed by Brexit by protecting workers and families as they face the continued threat of Covid-19. This budget needed to provide certainty - certainty that their incomes will not fall off a cliff, certainty that the Government will do all it can to protect their jobs, and certainty that our health service has the capacity to weather the storms ahead. This budget has failed to provide that certainty. It repeats a pattern of behaviour that has marked this Fianna Fáil and Fine Gael Government since it took power – indecisive, unprepared, too slow to act and lacking the ambition this moment demands.

The Government will defend this budget with worn-out excuses and will say it is all it can afford. It will say it cannot tackle the major cracks in our society just at this time and that we

must wait. However, not only is that not good enough, it is simply not true. A decade ago, taxpayers bailed out the banks to the tune of €64 billion, picking up the pieces after Fianna Fáil torpedoed our economy and wrecked the public finances. Today, we had an opportunity to do something very different - to bail out workers and families at a time of great uncertainty, to seize this moment by permanently increasing capacity in our hospitals and tackling the housing crisis once and for all, and to rebuild an economy that is stronger, fairer and better.

Bhí an deis againn inniu rud neart difriúil a dhéanamh. Bhí an deis againn lámh chuidithe a thabhairt d'oibrithe ag am na neamhchinnteachta agus geilleagar na tíre seo a atógáil ar bhealach a bheadh níos láidre, níos córa agus níos fearr.

The risk is not that we do too much, it is that we do too little, and we can see that in the Government's plan. Indeed, close to €6 billion is unallocated in the Government's plan because it does not know what to do. Today, the Government should have tackled core areas, such as unaffordable childcare costs, underfunded disability services, a dysfunctional housing market and a healthcare system that is crying out for significant investment. Failures in these areas by successive Governments have undermined our resilience and have limited our ability to combat the virus and weather the storm.

Nowhere is this more true than in our health service. Our hospitals and healthcare staff are under immense pressure. A decade of underfunding, mismanagement and neglect under Fine Gael has left them in a vulnerable position. The Government cannot say it was not warned. As far back as 2009, the recommendations were clear. We had 289 critical care beds and we were told we needed 579 by this year. How many do we have today? We have 280. Instead of increasing the number of beds over a decade of Fine Gael Government, we have entered 2020 with fewer critical care beds than we had a decade ago. Limited capacity in our hospitals has undermined our ability to respond to this virus. What is the Minister planning to deliver for 2021? We are told there will be 66 ICU beds, which is an increase of only 41 on the current number as many of the figures announced are the result of double counting. This increase is nowhere near enough. The same can be said of acute beds. Many of those announced today are already in place. Real ambition was needed. We needed an additional 100 ICU beds, as Sinn Féin pledged, and an additional 600 acute beds, which have brought the total to more than the 2020 figure of 1,800. That is the type of ambition and support those who rely on those services and our front-line workers and doctors needed but did not get from Government today. Our plan would have addressed the capacity deficiencies and regional inequalities in access to healthcare. The Government plan has not done that. Our health system needed far more. Patients and healthcare workers deserve more. Today was the day to turn fine words and applause into real action.

Today also could have been the day to end two-tier pay in the public sector. This is the day it could have come to an end. Despite all the fine words from Fine Gael, Fianna Fáil and the Green Party for our nurses, teachers and other public sector workers, they could not find it in themselves to make resources available to end pay inequality for front-line workers. That was the least they deserved today. Sinn Féin would have taken a different course. We would have expanded and ring-fenced resources for extra cancer care and mental health and would have provided funding for the critical and acute care beds we need. We also would have recruited additional staff, nurses, doctors and allied health professionals to ensure our hospitals are safely staffed. Today's health budget leaves our patients and staff vulnerable. That is the unfortunate reality.

As I said in my opening remarks, the pandemic has affected our people in different ways. It has affected no one more than our citizens with disabilities. These are the forgotten people of this pandemic. These citizens needed relief and sanctuary today but what did they get? They got an increase in funding to reopen disability services, which is welcome. I commend all of those families and providers who worked so hard over recent times to bring this about. This funding is long overdue. It is an indictment of this Government and successive governments that they were left for so long and had to fight so hard. We need to get to a point at which people with disabilities and their families do not have to battle the State and the Government for their rights every single time. The Ministers could have done a lot more today. Much more needed to be done. Today must be seen as only a first step in providing the supports those with disabilities and the disability sector require and for which they are crying out. What we have seen over successive years is not a vision of a real republic but a vision of people who are vulnerable and who need support from the State being left behind and abandoned.

Covid-19 has caused an earthquake for our economy. In the second quarter of this year, the State suffered the second-highest level of job losses in Europe. In September, our unemployment rate stood at 15% and more than one in three of our young people was out of work. The pandemic's impact has been felt hardest by young people, low-paid workers and those who, before this crisis, were just keeping their heads above water. Workers and families have faced sky-high rents and unaffordable childcare costs and their incomes have been squeezed by a high cost of living. Thousands upon thousands have now lost their jobs or have seen their incomes slashed.

Instead of protecting these workers and families, this Government has left them vulnerable. As the Minister, Deputy McGrath, was signing off on ministerial orders to give super junior Ministers a pay rise of more than €17,000, his colleagues across the room were putting pen to paper to introduce regulations to cut the pandemic unemployment payment. This shows how out of touch this Government has become after only 100 days in office. Some on €135,000 were being given an extra €330 per week while their Cabinet colleagues stated that €350 is too much to give people who have suffered a shock to their incomes through no fault of their own and who have lost their jobs mainly because of the public health restrictions imposed by this Government. It is wrong.

The cuts to the pandemic unemployment payment should be reversed and the top rate payment brought to €350. The Government has today made those cuts permanent. Thousands are set to see their incomes cut by more than 40% as a result of this budget. Sinn Féin would have given certainty to these workers and families. These are people who wonder how they are going to make it through 2021 without work. We would have reversed the cut to the pandemic unemployment payment and ensured the cut planned for 1 February would not have gone ahead. We would also have brought the top rate back to €350 and ensured that households would not have seen their incomes fall off a cliff as a result of the pandemic but would have instead been supported, protected and coveted during this challenging period.

Too many pensioners are seeing their weekly fixed incomes eroded as a result of the cost of living crisis. The Minister decided in today's budget to leave thousands of them with no relief. They have been given no increase in their weekly pension payment, not even a single euro. Sinn Féin would have increased the pension for all, including by an additional €5 for those living alone. This Government is out of touch and unable to fathom the reality of life for those who rely on State pensions to get by. The Minister's reluctant decision, forced by Sinn Féin, to suspend the increase in the State pension age from 66 to 67 is simply not good enough. The

Government will not even give pensioners certainty that they will be able to retire at the age of 66. The Minister has said that a report will have to be done and that Government will look at the issue. He has pushed the matter down the road and said the age may go back up to 67 next year. That is no good. People need certainty. They do not need certainty that the age will increase to 67 or 66 but that they will be able to retire at the age of 65 and draw a State pension at that time. That is Sinn Féin's position and we will accept nothing less.

Tá an ceart ag oibrithe éirí as agus pinsean a bheith acu ag aois 65. Ní ghlacfaidh Sinn Féin lena dhath níos lú ná seo. Under Fianna Fáil, Fine Gael and the Green Party, thousands of 65-year-olds have been forced onto jobseeker's payments after a lifetime of work. The Government saw fit to ignore the most vulnerable people across the State, including families on their knees financially and households depending on social welfare. It just forgot about them. It could have acted on our proposals. Sinn Féin's budget proposals would have delivered a €5 increase across the board and a €10 increase for people with disabilities.

As the Minister's Government has made cuts to the pandemic unemployment payment irreversible, it has ploughed ahead with a 29% increase in carbon tax. The Department of Finance recognises that this measure is regressive and that it hits poorer households, rural areas, and single-parent families hardest. It is clear that it will not change their behaviour; it will only make them poorer. Combined with increases in the electricity public service obligation levy and price hikes from energy providers, this is not the just transition we were promised.

At the same time, the Government has hiked up motor tax on older and diesel and petrol cars. Sinn Féin believes that a transition to electric cars is an essential step in moving towards a greener and cleaner economy but this increase in motor tax will affect those who can least afford a tax hike - those in rural areas who, due to underfunding in rural transport, are heavily depend on their car. Coupled with changes in vehicle registration tax, these decisions will disproportionately benefit wealthy drivers while punishing those who cannot afford electric vehicles. This is not a carrot-and-stick approach; it is a stick-and-stick approach.

With bills piling up and mortgage and rent payments due to the bank or the landlord, families face the threat of increased household debt. They needed relief and could have got it under this budget. Time and again, I have called out the price gouging of the insurance industry and the banks and called for a ban on dual pricing and the unjustified charging of additional interest on mortgage breaks. These things should never have happened. If there was ever a time for a zero-tolerance policy approach to price gouging for insurance companies, banks and energy providers, it was today but time and again this Government has done nothing. It has actually done worse; it has sided with those big industries and vested interests rather than with ordinary people. That was evident in its failure to protect mortgage holders impacted by the pandemic. Banks were charging additional interest during emergency payment breaks and while other governments in Europe acted to stop this, even bringing in legislation to protect their citizens, this Government did nothing and gave the banks a free ride once again. At the same time, the Government has continued to allow loan sharks to hit struggling families with interest rates as high as 187% annual percentage rate, APR. The cost of living had already cut through the incomes of families before this pandemic. Covid-19 and Government inaction has made that cost of living even sharper. Today was the day that we could have turned a new leaf and tackled this situation head-on. That is especially the case in the area of childcare, for which parents are paying some of the highest costs in Europe. The policies of Sinn Féin would have cut the cost of childcare next year by one third and could do the same the following year. We would have immediately increased the pay of our childcare workers to the living wage. It is the least they

deserve. The Government, instead, has completely ignored this sector.

The pandemic has exposed the market's failure to measure the real value of work and care in our society. Those once labelled as unskilled were recognised as essential, and rightly so. For Sinn Féin, those front-line workers are on our shop floors, in our care homes and in our child-care facilities, and they are our cleaners, our hospitality workers and many other workers. They have always been essential workers and for far too long they have been undervalued. Essential workers are more likely to be found working in our care homes and on our shop floors than in the boardrooms of banks or investment companies.

Despite that fact, vested interests have always had access to the corridors of power over ordinary people and their representatives. If we needed proof of that, we only need to look at what happened last month. I refer to the former Fine Gael Minister of State and Deputy who left the Department of Finance in June and then took up a post as the CEO of a financial lobby group three months later. That was a group which lobbied that same Minister of State to extend the special assignee relief programme, which is a little-known tax relief that allows some of the highest income earners in the State, earning salaries of up to €1 million, to reduce their personal income tax by €111,000. Their tax rate is being reduced to 28%, when every Tom, Dick, Harry and Sheila pays 40% in tax.

Are we surprised that the Government has extended that tax break in the budget today? No, we are not at all, because that is what this Government does. Perhaps one of its members is auditioning for a new role in one of the lobby groups. Former members of Fine Gael already hold posts as CEOs of organisations representing the bankers and the funds industry, so perhaps one of them is thinking of going into the area of insurance in the future. The reality is that we need to compare this situation with how low-income employees are paid. I refer to a miserly increase of 10 cent in the minimum wage. How mean-spirited is it possible to be? There is a 10 cent, or 1%, increase at a time when so many people are under pressure. What message does that send to those doing such essential services? It sends a message of contempt. Taispeánann an phaindéim seo dúinn cé chomh tábhachtach agus atá na hoibrithe riachtanacha. Thaispeáin an Rialtas an buíochas atá aige dóibh agus ardú 10 cent tugtha ar an íosphá. Is masla é seo.

Jobs lost as a result of the public health measures have been concentrated among low-paid workers. This is seen especially in areas of hospitality, retail and tourism. These workers and small businesses have struggled with rolling closures and reduced trading activity. If we are to protect our economy, we must ensure that as many jobs and businesses are saved as possible. To that end, wage supports are absolutely crucial. On 1 September, the Government introduced its employee wage subsidy scheme, EWSS. It is a scheme that is not fit for purpose. It locks out 150,000 low-income workers and gives no support to the employer if his or her employees earn less than €151.50. It is a scheme that has seen the supports for employers being cut by nearly 50%, with highest subsidy now available at €203 per week, and it covers as little as 35% of weekly wages for workers in sectors that are struggling to survive.

The Minister has extended that scheme today, a scheme which fails to meet the needs of struggling businesses, and has proposed no plans to increase the level of wage supports for those most highly impacted sectors. It is a scheme that will increase unemployment in the months ahead unless it is changed. Sinn Féin's proposed wage subsidy scheme would have provided the necessary level of wage support and targeted supports at highly impacted sectors. It would do that by guaranteeing 85% of take-home pay for workers on the minimum wage, with wage subsidies of up to €410 per week for highly impacted sectors and €300 per week for sec-

tors moderately impacted by the pandemic. This would have saved jobs, supported struggling businesses, reduced the number of people in receipt of social welfare payments in the future and made good economic sense. What the Government has announced today fails to do that.

What was needed by our SMEs, which employ more than 1 million people in this State, was certainty. I do not refer to certainty that they will all survive, because no Government can provide that level of certainty. The SMEs, however, needed certainty that they had a Government that was on their side, and a Government that would do everything in its power to ensure that those businesses had the best chance of survival. People working in those companies needed to know that they had a Government that would do everything it could to ensure that their jobs were secure, but that has not been done today and huge uncertainty has been created for businesses and their employees throughout the State.

Since the onset of this crisis, the Government's response to small businesses has been one of delay. Our small businesses and their workers have suffered as a result of that delay. Take the Tánaiste's flagship project, the credit guarantee scheme, which the Government has talked up since this crisis started as a €2 billion financial lifeline to struggling businesses. It is a scheme that got up and running five months after better schemes were introduced in Germany, Britain and elsewhere. The Government boasts of €2 billion being available. To date, only 128 loans have been approved, with a total value of €6 million. It is not €2 billion, but €6 million. That is less than 3% of the funding available under the scheme, six months into this crisis. This delay is damaging businesses and costing jobs and it is a delay that has characterised other policy choices by the Government.

Today, the Government finally adopted Sinn Féin's proposal to reduce the rate of VAT from 13.5% to 9% for the hospitality and tourism sector. We welcome that, but it is a support that comes late in the day and should have been introduced during the summer. The Government has failed to provide a grant support package for businesses that face the threat of closure as a result of public health restrictions. Instead, it has introduced a compensation scheme that will run out at the end of March. This support is contingent, insufficient and time limited. We know that this pandemic will not end in March, unfortunately. The reality, unless the Government allows for these allowances to be claimed twice, is that this is not grant aid, it is just a measure that will assist businesses in respect of cash flow. That is welcome, but what we need is significant grant support for these businesses.

What our small businesses needed today was not a contingency or a maybe. They needed a guarantee. We can see this throughout the budget, where there have been many figures that will bamboozle us, but nearly €6 billion of those funds are unallocated. The Government, even at this stage, does not know the supports needed for businesses. Businesses are making decisions right here and right now regarding whether they will keep going or give up, and they needed a level of certainty in that regard. They needed to hear that there was going to be a ramping up of the wage subsidy schemes, because the Government had got that wrong and the pandemic is going to be with us for longer than anticipated. The Government should have stated that it needed to support these businesses and the jobs they create. Those businesses needed to hear that the Government was going to deliver cash injections to businesses to ensure they could deal with their overheads, and not just in respect of issues such as cash flow. Those are the types of guarantees that could have been provided to businesses, but that was not done.

Sinn Féin would have acted differently, by implementing a support package that our small businesses could rely on throughout 2021 to compensate for the cost of any future restrictions.

We would have guaranteed €25,000 and €12,000 in support grants for affected businesses for the duration of 2021. The Government has given no commitment to provide a commercial rates waiver in 2021. That is startling. All that is being done is extending the current waiver for another three months of this year, but that simply does not cut it. What should have been done was the extension of the waiver for a further six months, into 2021, which would have given certainty to these businesses that have been so badly affected. A tourism and hospitality voucher should also have been rolled out, at a rate of €200 per adult and €100 per child, which would have boosted demand, increased trading and supported the balance sheets of small businesses in the hospitality and tourism sector. That could have been done instead of the dog's dinner of a scheme in the form of the stay-and-spend initiative, which simply will not cut it.

These stimulus measures I have outlined would have increased the chances of firms surviving, and therefore the chances of jobs surviving. With cuts to wage supports having now been confirmed into next year, and with no certainty of grant supports for businesses struggling as a result of public health restrictions, the Government is going to lead us into a winter jobs crisis.

3 o'clock

Today was an opportunity not only to protect jobs but to create them. A decade of Fine Gael in power created a housing crisis that has not gone away, as well as road and rail networks and infrastructure in desperate need of upgrading to connect our regions and communities. Now is the time to significantly increase public investment, at a time of historically low interest rates when even the IMF is calling on advanced economies to ramp up capital expenditure through sustainable borrowing. We would have seized this opportunity and increased capital investment by an additional €2.5 billion. The Government has announced €600 million extra in capital investment. That is a paltry figure given the need to stimulate the economy and the needs in other areas, particularly housing. Our package would in itself have created 26,000 jobs by investing in our regions, upgrading our transport network and delivering the biggest public housing programme in the history of the State.

This investment was nowhere more needed than in the housing market. Despite a demand for change by the people in the election in February, this Government is determined to continue with the failed housing policies of the past. Fianna Fáil and Fine Gael created a housing crisis that has locked a generation out of secure and affordable accommodation, during which rents increased by more than 31% since 2016 and which resulted in the highest increase in homelessness in the history of the State. Renters continue to hand a third of their pay package over to their landlords monthly. Families and couples are struggling to find homes as they simply cannot afford them. We were told that things were going to be different now that we have a Fianna Fáil Minister for Housing, Planning and Local Government and that Fianna Fáil would tackle the housing crisis but it is very clear today that this crisis will remain with us for as long as this Government is in power. Níl a dhath anseo inniu chun déileáil leis an ngéarchéim tithíochta a chruthaigh Fine Gael. Ar an mhalairt, tá sé anois á shoiléiriú ag an Rialtas.

At his party's conference, the Tánaiste and leader of Fine Gael, Deputy Varadkar, said that Fianna Fáil was a party with no ideas, no policies and no alternatives. That was true then and is definitely true today. Where are its big ideas? Its big idea is to extend the help to buy scheme, which will push up the prices of homes for first-time buyers. Over 40% of people who availed of the scheme since it was introduced already had the required deposit to secure a mortgage. This is not an affordable housing scheme; it is a sop to developers. It does not encourage them to reduce house prices but to increase them. That is the reality and the Government knows it.

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Today, the Government has decided it wants to pump more money into this scheme and therefore into the pockets of developers. This is the best that Fianna Fáil has managed to come up with after being out of government for a decade. It would be embarrassing if the stakes were not so high. This is the affordable housing that the Minister, Deputy Darragh O'Brien, has been planning for four years. He will try to explain himself but the reality is he needs to try again and he needs to try a hell of a lot harder.

Our broken housing system was exposed by this pandemic. Not only should this budget have been a radical departure from the failed policies of the past, but it should have provided immediate protections for renters who are vulnerable in the present. The Minister's first act in the area of housing was to strip away the protection renters had from eviction during this time of great uncertainty. Shame on him. Today, he has delivered just €110 million in funding for affordable housing, which is to fund an as yet undecided shared equity loan scheme and 400 cost-rental homes. The Government has not even seen fit to invest such a paltry sum into genuinely affordable working homes for working people. It speaks volumes that this is the level of injection involved. So much for this Minister for housing, who made so many promises to deliver genuinely affordable homes for working people to rent and buy.

It gets worse. The Minister has secured funding for just 593 real social homes above what is already committed to in 2021. This is an insult to the thousands of homeless families and tens of thousands of people languishing on local authority waiting lists. Rents will not decrease or be frozen under this Government. Things could have been done differently. This was the time to reduce rents through a refundable tax credit, to freeze rents and to give people certainty. It was the time to build the largest public housing building programme in the history of the State, delivering 20,000 social affordable and cost-rental units in 2021. Again, this Government has failed to act.

At a time of great uncertainty for workers and families, the budget needed to respond by protecting them and giving them certainty that their incomes would be supported, that the Government would do all it could to protect jobs and businesses and that our hospitals and health-care workers would be equipped to weather the storms and challenges ahead. This Government has failed to provide that certainty. It has cut the pandemic unemployment payment, slashed supports under the wage subsidy scheme, removed the ban on evictions and failed to secure an extension for mortgage breaks without additional interest being charged. It has failed to give certainty to struggling businesses and their workers. It needed to provide them with supports on which they could rely to help to weather the storm - not as a maybe but as a guarantee. It could have done that by introducing a wage subsidy scheme that was fit for purpose and grants of €25,000 and €12,000 that would be delivered not as a contingency or a maybe but as a certainty. It should have provided certain supports for businesses, employers and workers. Failure to do this has heightened the risk of job losses and permanent business closures.

While no one could have predicted this pandemic, our public services were ill-equipped and under-resourced after decades of neglect under Fianna Fáil and Fine Gael. That neglect has left our hospitals, healthcare workers and patients vulnerable. This Government has failed to address that neglect and failed to step up to the challenge. It has failed to deliver on the ambition and new direction that is needed. It has fallen back on the tired, failed policies of the past. This is not the budget that Sinn Féin would have delivered. Sinn Féin would have provided certainty to workers and their families. Where we need ambition and vision, we have gotten more of the same, papering over the cracks and trying to limp on. This is simply not good enough for the times we are in. Today was the time to give certainty and set out a new path to rebuild our

economy in a fairer, stronger and better way. Unfortunately, this Government has, predictably, failed to deliver that and give that certainty.

Deputy Mairéad Farrell: Long before the onset of the Covid-19 pandemic, we lived the reality of the impact of budgetary choices made by Fianna Fáil and Fine Gael year after year. We had record rents, record levels of homelessness, record numbers on hospital trolleys and record numbers waiting for medical treatment. Too many people were forced to live their lives on the financial edge. Workers and families were barely getting by and were just about paying their bills or mortgages. A generation - and counting - has been locked out of home ownership. These shameful blights on our society did not come about by accident. They happened because every year a Fine Gael or Fianna Fáil Minister has stood up here on budget day and made announcements that define the lives of millions. Unfortunately, they have made those decisions based on the premise that our society should serve our economy and not the other way around. The pandemic has shone a light on the ugly reality of a skewed system in which the needs of banks, mortgage lenders, landlords and vested interests have been prioritised over the needs of workers, families and communities.

While no one could have predicted the pandemic, our public services are ill-equipped and under-resourced after decades of neglect. The pandemic has shown us that homes need to be homes, where people can build lives and have a sense of security. Out-of-touch Governments have stood idly by for years. Under their watch, the housing crisis has spiralled out of control and ordinary people have been left to pay the price. This time around, we were told it would be different. “We are all in this together” was the mantra, but those days are already a pipe dream. This Government has chosen to slash people’s incomes through cuts to the PUP. Mortgage breaks for hard-pressed workers and families have been scrapped and protections for renters are out the window. We are no longer all in this together, and that is a choice this Government made. Instead of harnessing the strength of unprecedented social solidarity, community and cohesion, it has chosen to take a different road. It has chosen to return to old habits and the economics and politics of division. That is not what our country needs. We need a vision to rebuild, stronger, fairer and better.

In am na héiginnteachta seo, tá ualach oibre fíorthábhachtach faoinár gcúram mar ionadaithe poiblí breith a thabhairt maidir le cén chaoi is fearr airgead poiblí a chaitheamh. Agus muid ag tabhairt faoin obair seo, níor mhór dúinn cuimhneamh gur ar mhaithe le formhór an phobail ba cheart na cinntí seo a dhéanamh. Caithfidimid seasmhacht a chinntiú don phobal agus athshlánú eacnamaíoch a chinntiú atá bunaithe ar chothromaíocht agus comhionannas. Caithfidimid seasmhacht agus dóchas a chruthú. Ní raibh an oiread tábhacht ag baint le buiséad d’oibríthe agus do theaghlaigh le fada an lá. Níl aon amhras ach go bhfuil comhthéacs na pandéime lárnach do leagan amach an bhuiséid seo. This pandemic has shown that one’s home really is one’s sanctuary. For too long, a place to call home has been beyond the reach of many. The hard-working couple whose wages just about cover their rent have no chance of saving for a deposit. It is beyond the reach of adults in their late 20s and 30s who are still living with their parents and people living in damp, substandard accommodation who have been on the social housing waiting list for well over ten years with absolutely no end in sight, and a family with young children who are facing another Christmas in a hotel room. Since March, we have all spent more time at home. For some, it has become a new home office and for others, it has been a place to cocoon, but the damning reality is that for many, their home is their greatest cause of concern. There is fear of not being able to meet mortgage repayments since the Government refused to ensure an extension of the mortgage break. There is a worry that a landlord will issue a person with a

notice to quit or that the damp and mould really are affecting one's child's health.

In this time of great instability, we have never needed the security and stability of a home more. However, once again the Government has failed to grasp the magnitude of this crisis. Is it indifference, ignorance, incompetence or all three? As this is a decade long crisis, it is clear to me that there is no understanding, empathy or political will to provide affordable, decent homes. Fine Gael has presided over the largest increase in homelessness in the history of the State with almost 9,000 people homeless. This should send shockwaves through the Cabinet but it clearly does not as target after target is not met. Last year, the Minister, Deputy Michael McGrath, stressed that the Government has executive authority, controls the Department of Housing, Local Government and Heritage, is responsible for addressing the housing crisis and must accept that its performance on housing has not been good enough, and I wholeheartedly agree. Now the Minister's party is in government and for most people, it is a case of business as usual. He is not going to tackle the problem of affordability. He has allocated just €110 million for affordable homes. He is not going to tackle the lack of public housing including affordable rental. There is almost nothing here for renters. He is going to ensure that the current housing regime which suits landlords, bankers, developers and vulture funds endures.

Fianna Fáil once again sees itself on the side of developers, extending the help-to-buy scheme which has further increased the cost of a home. In July, only weeks into the term of this new Government, it could not help itself. In the July stimulus package, the Government increased the tax rebate, which saw house prices soar overnight, not helping the first-time buyer but once again helping the developer. Is it a case of back to the future? Not really. It is just business as usual. Fianna Fáil never broke from the developer model of housing. Some things simply never change. We know what needs to be done and we in Sinn Féin are prepared to do it. As my colleague, Deputy Eoin Ó Broin, said, we need a Government that makes fewer gaffes and builds more gaffs. We have been saying this for a decade. It begs the question of why Fianna Fáil and Fine Gael cannot follow through on this. The answer is that they are stuck with the same special interests that want to keep the current regime in place. Those vested interests are the bankers and the developers. We need homes and we need them now.

A Sinn Féin Government would deliver the largest public housing programme in the history of the State. In 2021 we would deliver 20,000 social and affordable homes. That is what is needed. We would deliver 4,000 affordable purchase homes which would be sold for €230,000 or less, finally giving young families a chance to grow their family in their own home. We would bring in 4,000 affordable cost rentals which is absolutely necessary, meaning that those whose incomes just about pay their rent finally have some disposable income to enjoy life again and put some vital funds back into local businesses and the local economy. The Government has failed to meet its targets. We have not seen a single affordable unit to rent or buy delivered via any central government scheme this year, despite 6,000 being promised. The Minister has failed to even deliver his promised plan on affordable housing.

Affordable units are being promised here in 2021, but it simply does not cut it. This represents 6,000 less homes in 2021 than what we provided in our submission. We would deliver 12,000 social homes. The scandal of housing waiting lists needs to be tackled urgently for those who have been waiting too long for a place to call home. Some 9,500 social homes are promised here today, yet the Government failed to deliver on 91% of this year's targets. This announcement of 9,500 represents a pitiful 593 extra real social homes above the existing commitments for 2021. This is a kick in the teeth to the tens of thousands of people languishing on social housing lists.

There is no additional serviced sites funding for councils to deliver homes on public land. It falls short of what is needed and once again shows how out of touch this Government is. This budget does very little for renters. Rents are rising yet again. We would introduce a refundable tax credit, putting one month's rent back into renters' pockets, up to a sum of €1,500. We would re-introduce the Covid-19 emergency ban on evictions, notices to quit and rent increases. It is shocking but not surprising that the first act of the Minister for Housing, Local Government and Heritage as Minister was to strip renters of these vital protections introduced during the onset of the pandemic.

Historically, Ireland suffered greatly from the problem of absentee landlords. Today we see that same problem manifest itself. These absentee landlords are non-resident investment funds or vulture funds as they are widely known. We will introduce a 3% stamp duty surcharge on these vulture funds. We will no longer be the state of the céad míle fáilte for vulture funds while driving tenants out of their homes with sky-high rents. It is unacceptable that these vulture funds are among the biggest landlords in this State and it is an outrage that it has gone so far that the UN has had to step in and condemn Government practices and attitudes to vulture funds.

Unfortunately for many, their home really is not their sanctuary. This pandemic has brought with it many concerns for us as a community. The stay at home measures brought a very frightening reality for those living with their abuser, a feeling of no escape. If that is you and if you are in that situation please know that there are supports out there, people who will listen, people who believe you. We believe you. We need to ensure adequate supports for domestic abuse services. We would provide additional funding of €4.5 million for such emergency and step-down accommodation and supports.

There is much talk about health. This pandemic has exposed and exacerbated the cracks in our health system. It has exposed the decades long failure to invest adequately in and fund our health service and the failure to ensure there are enough doctors, nurses and beds. There has been chronic underfunding in the building of capacity where it is needed. We need to spend the money where it is needed and we need to spend it on hiring front-line workers, on hospital beds and we also absolutely need to spend it on ICU beds. The Cabinet has four people who have served as Minister for Health, including the Taoiseach and the Tánaiste. With that wealth of experience, it is surprising that our health system is still in the sorry state that it is, despite *per capita* spending being among the highest in the developed world. If there was any desire to fix the two-tier system, it would have been done by the various Fianna Fáil and Fine Gael Governments years ago. They had serious opportunities over the last five years to deliver it and missed them all.

This budget is nothing more than a repackaging of the winter plan. It does not go beyond or above it. It is a missed opportunity and, to say the least, very underwhelming. It will not do enough to deal with the major long-term capacity problems, nor will it move us from a system based on means to one centred on needs. What we needed to hear today was a plan to deliver more beds, not an excuse. There was a failure in the last years to increase permanent capacity in the health service. Beds were only ever temporarily funded. It is welcome to hear that they will become a baseline, but during these times, it is not good enough. That was last year's promise. We need a fresh start in health, which means a new vision to deliver additional beds and additional ICU beds to expand capacity in the health system. This budget is a short-term solution to keep matters steady, not to deliver more. Sinn Féin's alternative budget would have delivered 100 ICU beds, 60 more than the Government, and begun capital works on 600 more new acute beds next year than the Government.

Fine Gael led us into this pandemic with a health system bursting at its seams, with nurses regularly struggling for better conditions whilst working in highly strained, overcrowded hospitals. In my local hospital, Galway University Hospital, emergency full capacity protocol was invoked 135 times in the first five months of last year. A safe hospital runs at 85% capacity but every winter, acute hospitals operate at and over 100% capacity. None of this should be news to the Government.

Over the past two decades there have been three bed capacity reviews, as well as multiple reports on critical and other care. The common conclusion of these various reports was that our system was badly lacking in acute and critical beds. What is frightening is that if we compare our system to the EU average, we are only at 50% of the number of intensive care unit, ICU, beds *per capita* and we have a much lower capacity. We also lack the extensive and holistic primary care systems that similar EU states have, and this increases the strain on our acute hospitals.

This was the dangerous reality of healthcare under Fine Gael and it left us on the back foot when this pandemic knocked on our door. Now our health service is under pressure on several fronts. The healthcare system we deserve, a version of which is enjoyed across Europe, gives workers better terms and patients better treatment while delivering hospitals that are fit for purpose. We must be ambitious and make improvements every year to deliver so we can put people's health first. We need Sinn Féin's vision for healthcare. We want to deliver 100 additional ICU beds next year and 50 for each of the next four years. That is what is needed and what we propose.

In 2009, the Towards Excellence in Critical Care report identified the need for 580 ICU beds this year. In 2009, we had 289 ICU beds but in 2020, far from 580, we have 280. That is on Fianna Fáil and Fine Gael. They are promising us that we will have 321 ICU beds by the end of 2021 but this is not enough and the promise is not even likely to be fulfilled. We needed 580 ICU beds by the end of this year and 321 of those beds simply does not cut it. We need more acute beds next year to protect surge capacity and remove reliance on trolleys.

We would hire 2,500 additional staff to fill vacancies, relieve the burden on existing staff and achieve safe staffing levels of nurses, consultants and other doctors. We would resolve the issue of pay inequality, which continues to hamper recruitment of specialists.

We would fully fund the national cancer strategy and the national cancer control programme and have €10 million in additional funding for the catch-up of delayed screening and diagnosis. We would also provide an additional €12 million to deliver on the national cervical screening laboratory.

Our vision for universal healthcare is in line with other European states. It sees healthcare as a human right and not a privilege. It is something to be delivered on the basis on needs rather than means.

My colleague, Deputy Pearse Doherty, mentioned people with disability and their carers and how they suffered disproportionately this year. They feel like they have been absolutely forgotten in this crisis. They have stood outside this building, telling their very personal stories of the impact this pandemic has had on their daily lives. We have heard of how their lives have been turned upside down, how the fantastic developments they have achieved thanks to their hard work in day services have regressed over the course of this year. Heartbroken families

have been telling of the distress their loved ones faced at not being able to go into their beloved day services. These are not just services for these families but these are their lifelines.

We have listened to their hardships but listening is not enough and action is needed. The Government's plans of €100 million for this sector, while welcome as a step in the right direction, still falls short of what is needed. Citizens with a disability should never again feel they have been forgotten by anybody and they especially should never feel they have been forgotten by a Government.

I have not heard much talk about the childcare sector. I am astounded by this but it is no wonder, I suppose, as it seems like nothing has been done. We know childcare costs are like a second mortgage, regularly meaning that parents must make a decision about can go to work. More often than not, this affects women disproportionately.

A new model for childcare is needed. Childcare providers struggle to keep their doors open and there are approximately 4,500 of these providers in this State. For many, their business has become unsustainable, and without any real support from the Government, these small and medium enterprises, which not only provide childcare in remote and rural areas but also provide jobs in places where there is little alternative employment, cannot keep their doors open.

All 27,000 childcare workers are some of the most highly skilled and qualified professionals but they are paid a pittance. It is clear that the current model of childcare provision in this State is failing everybody. The measures outlined in this budget have failed them yet again and it will do nothing to turn this matter around. There are no measures for fee reduction, no fund to help providers keep their doors open and no recognition for workers in the form of increases for them.

Sinn Féin, unlike this Government and those preceding it, has a plan for the childcare sector that delivers for parents and workers. Over the course of two budgets, we would cut the costs for parents by two thirds. We would do this by having the State take on the wages of the sector and implementing and ensuring sustainability. We would immediately increase the pay of childcare workers to the living wage of €12.30 per hour. We would introduce a sustainability fund of €124 million for childcare providers to ensure the sector remains viable into the future.

For those who say that this is not possible, we cannot afford it and it is all just wishful thinking, we should remember that when Ireland first planned to launch free secondary school education in the 1960s, we heard these exact same arguments. I imagine I would find it hard to get anyone in this Chamber who would now argue to abolish that. The reality is that the naysayers lost out and the State and our people have been all the better for it.

Early childhood education plays a crucial part in children's development. This plan and vision for the sector is needed for the parents struggling to pay the childcare fees, the providers trying to keep the doors open, the underpaid workers and, most important, the children.

We have heard about the VAT reduction for the tourism and hospitality sector from 13.5% to 9%, which I absolutely welcome because it is needed. However, 9% of nothing is still nothing. What the sector needs is cash being spent in the businesses now. We would introduce a tourism and hospitality voucher to every adult and child worth €200 and €100, respectively, and this would inject much-needed cash into the sector. It is said imitation is the sincerest form of flattery; this Government has tried to imitate this scheme but somehow made it more regressive. I note it has not been mentioned today.

Many young people working in this sector have been hit really hard and youth unemployment stands at 37.8% when we include those on the pandemic unemployment payment. We must not force another generation of young people to emigrate in search of job opportunities. It is up to the Ministers to create the stimulus needed on a regionally balanced basis to allow our young people to stay at home. I did my leaving certificate in 2008 as one global crisis was unfolding and here we are in 2020 and leaving certificate students are again facing a crisis not of their making but one from which they will suffer the consequences. Many of my friends who emigrated during the last crisis still have not come home and I dearly hope that the same fate does not await the class of 2020. I can tell Members the untold devastation visited on parents and grandparents when they do not have their children visiting because they have been forced to emigrate.

We have heard great things about our front-line workers and they deserve more than claps and platitudes. The Public Service Stability Agreement 2018-2020 is due to run out at the end of this year and claps do not put bread on the table or keep a roof over one's head. This Government has regularly said we are indebted to our public sector workers but it is time to put its money where its mouth is and reach a fair deal that not only recognises the pain public servants have suffered since 2008 but the heroics they have performed since the onset of Covid-19.

We need a new collective pay agreement that brings about real pay equality in our public services, including pay parity for all section 39 workers and not just those who fell under the terms of the Workplace Relations Commission recommendation. This budget has done nothing on any of these fronts. We would bring about the immediate equalisation of pay grades for post-2011 public sector workers with their pre-2011 colleagues. We would bring about pay parity for section 39 workers, who are all too often forgotten by the Government. They are not forgotten by those people who rely on their services or the people with disabilities who they bring joy to on a daily basis and who need the routine of the same person helping them every day.

There is the question of politicians' pay and the spirit that we are indeed "all in it together". We would reduce the salaries of Deputies and Senators, and as my colleague, Deputy Mark Ward, recently pointed out, it is mad that he, just a year into his job, has been offered three pay rises while most people's incomes have fallen off a cliff. This is why we need to reverse the cuts to the Covid-19 pandemic unemployment payment and introduce a wage support scheme that is fit for purpose and targeted and supports all workers.

I was very interested to hear what was said about capital investment. We are in a crisis now and we need to act proportionately. There is nothing fiscally prudent about doing too little too late. Countercyclical spending is the means of getting out of this crisis. This budget should not be about keeping the economy at a standstill and keeping the lights on. It is essential that this budget stimulates the economy by pumping money back into businesses and people's pockets. The risk here is that we do too little rather than too much. This budget does not cut it in terms of capital expenditure. The capital expenditure the Minister outlined amounts to €10.1 billion. I have heard it stated that this is an addition of €1.6 billion. I do not know what school of mathematical thought that is. Where I went to school, €9.1 billion minus €10.1 billion equals €1 billion. This will not provide enough firepower to counteract the downturn. I stressed this to the Minister time and again. It has fallen far short of not only what we have called for but it has fallen far short of what the Irish Fiscal Advisory Council, IBEC and Fianna Fáil and the Green Party's old pals in the International Monetary Fund, IMF, called for.

A Sinn Féin Government would roll out a €2.5 billion enhanced capital investment pro-

gramme across a range of areas, including housing, hospitals and schools. This would create more than 26,500 jobs while meeting the needs for affordable accommodation and healthcare services. This is the kind of stimulus that we need. At least 150,000 jobs have been lost during the course of this pandemic, so the question is not merely how we maintain existing employment through the various business and income supports. It is how we begin to replace and expand employment that has already been lost through large-scale capital investment in shovel-ready projects.

I am deeply concerned that the recovery fund appears to be a “maybe fund”. I am stunned that the Government feels that the economic crisis is not bad enough for it to allocate this fund immediately. What is it waiting for? Jobs are being lost, businesses are being closed and people are in significant rent and mortgage arrears. Now is simply not the time to wait and see.

Another issue of concern is that the budget the Minister has laid before this House is not only anti-rural Ireland but by increasing the cost of operating a car for the average person while cancelling bus routes, it represents an attack on rural Ireland. These policies are neither green nor rural. This Government seems committed to casting rural Ireland adrift. It had the opportunity to rebalance the scales from the beef barons to the ordinary farmers. This is what was committed to in the programme for Government. This Government committed to “[p]rotect and enhance the incomes and livelihoods of family farms”. It was meant to be a “key objective” of this Government. The suckler farmer was left behind in the July stimulus and this budget represents nothing other than outright abandonment.

In our budget proposal Sinn Féin committed to protecting the Irish family farm as a way of life. We proposed a new suckler scheme that would front-load payments at €300 per cow with lower payments after the first 15, committed funds to the national reserve fund to help give young farmers a start and committed to areas of natural constraint to support the less intensive farming this Government claims to support. These policies represent a bold vision that would have provided rural Ireland with a bulwark with which to face the uncertainty of Brexit and the ongoing Covid-19 situation. The people of rural Ireland will not be served by this budget.

Not only are we facing the crisis of Covid-19, we are facing the crisis of a no-deal Brexit. There is no Brexit which could be good for Ireland. With its highly provocative United Kingdom Internal Market Bill 2019-21, the British Government has already threatened to tear up an international agreement and commitment that it entered into. Britain’s lax attitude to international law should be of no surprise to us here in Ireland. Its actions threaten the livelihoods of those in Border communities and the agricultural sector, which will have knock-on effects for the wider community. We believe that should Britain exit the EU without a deal, at least €1 billion will be needed in order to support the sectors and regions most directly impacted. We need clarity from the Minister on how much of the recovery fund will be allocated to the Brexit contingency fund.

It has been said that one should never let a good crisis go to waste. Let us not miss this opportunity to reimagine what this country could be and the role of the State in remaking it. Should the role of the State be relegated to merely correcting market failures, as those of the cosy neoliberal consensus think, or should it have grander ambitions? Should it seek to harness the power and resources at its disposal to tackle the burning issues of our day? Should the State take a more active role in addressing income and wealth inequality? Should it take a more active role in providing access to housing and healthcare, basing its actions on need rather than means? Should it seek to create, shape and drive markets rather than just fixing them? To all

of those questions, we answer “Yes”.

To those who might have looked on as the Government announced its budgetary measures and wondered how will any of this help them, I sympathise. This budget is bereft of ideas, bereft of ambition and, more than that, bereft of an overarching vision. It is characteristic of a Government that has been beset by chaos and whose main priority is damage limitation.

The parties of the Civil War, which have taken turns governing this State for so long, now find themselves in a position where they must enter into a coalition. Even working in tandem, these two old beasts of Irish politics have shown they do not have the vision, the ambition or the drive to rebuild the new Ireland we so badly need. Today, almost a century since this island was partitioned and the Free State was born, a new chapter in Irish political history is ready to be written. The bad news is that today’s budget does nothing for ordinary workers and families, but the good news is that people should not lose hope. We in Sinn Féin have the policies, the politics and the people to rebuild Ireland, united, fairer and better.

Deputy Ged Nash: We have known deadly disease on our island before. In the 1800s, the Great Hunger saw millions emigrate or die of famine, diphtheria, cholera, fever and smallpox. In the last century, TB or consumption destroyed thousands of lives. It may be folk memory now, but its legacy lingers on. It took the vision of a socialist, Deputy Noël Browne, to deliver the infrastructure and the drive that tackled that insidious disease, but the vision of a social public health system was blocked by vested interests. It has yet to be realised. We must not repeat the same mistake that was made then, the mistake of not finishing his job. This emergency tells us we need to build an Irish national health service of which we can all be proud.

That work should have started today. Instead, we are again papering over the cracks. In times of crisis we turn to the State. We still have some way to go before we can end our two-tier health system. Today I am just as concerned about our two-tier economy. This Government promised a shared future. When he was campaigning against Fine Gael the Taoiseach, Deputy Micheál Martin, promised us an Ireland for all. Instead we have two Irelands. Billions of euro have been committed in supports for businesses while there are cuts for workers on the Covid-19 pandemic unemployment payment. There is absolutely no shame about it. We were told there would be no cuts, but a form of austerity is back for those who can least afford it.

The time has come to reimagine this State. That is why the Labour Party has proposed a package of measures worth much more than €11 billion in capital and current spending to plug the gaps in our services and to do whatever it takes to save jobs and lives. Our focus is unapologetically on the interests of working people. Right when we needed a radical response, a different approach, a shared national effort, the dividing lines have been drawn. After four years of the difficult on-again, off-again engagement that was the confidence and supply agreement, the wedding ceremony finally came in June. Today the marriage was consummated, but the wedding speeches did not live up to expectations. Fianna Fáil and Fine Gael have now become one, for better or for worse. For the sake of the country I hope that the next few months beat their disastrous honeymoon period of self-inflicted cock-ups, exploding clown cars and comical games of one-upmanship. We do not need to do a deep dive through departmental records to uncover any major policy differences between the two Ministers present. If we did, we simply would not be able to find them, because there are none. They are so tight policy-wise that by the time this Government is over we will be wondering which Minister is which. Fianna Fáil has been subsumed by Fine Gael. The merger is complete and Fianna Fáil’s long-cherished identity is gone.

All of that being said, it would be churlish of me and my party colleagues not to recognise that there is much to welcome in this package. Who does not want to see extra resources targeted at health, housing, education and wage supports? Will it be enough, however, to stave off the twin threats of Covid-19 and the prospect of a no trade deal Brexit? The national credit card has been maxed out, but where is the money going? There is no shortage of cash, but the Labour Party knows the Government will come up short on implementation. Will the proposed package be sufficient to insulate the economy against future shocks and reshape our society and economy into one that is fairer and more resilient?

The pandemic has exposed massive gaps in the health services. Some months ago, a chronic lack of ICU and acute beds meant the State had to go cap in hand to the private sector to get access to beds because it feared the health service would be overrun. An extra 60 or so new ICU beds does not a national health service make. If the current situation does not force the House and the Government into a radical rethink of our priorities as a country, then I worry for our future.

Last March, it was not Michael O’Leary and the captains of industry who rode to our rescue. He was too busy flying people to Cheltenham in the middle of a deadly pandemic. Rather, it was doctors, nurses, healthcare assistants, hospital porters, home helps, shop workers, bus drivers and teachers teaching children via Zoom who battled to keep us well and our society and economy moving. It was the State to which people turned for protection and to keep them out of harm’s way. Only the State has the authority, skills and resources to respond to the scale of the unprecedented emergency we faced and will continue to face into 2021. It was to the State that private business turned for a lifeline and to support enterprises and jobs in a way that would have been unthinkable at the start of the year. In so doing, we avoided collectively turning a crisis into a catastrophe.

The pandemic should be an inflection point, a turning point for the country. It should be the point at which we state there should be no going back to poor levels of investment in public services compared with our EU peers; to a model of low pay, precarious work and the precarity of being a missed shift or two away from eviction from one’s home; or to reliance on the private sector to provide education for toddlers and to care for our parents and grandparents. It is time for a new social contract for the Irish people. It goes to show how things have changed that even IBEC stated the future is one where the State is bigger and does more and where those costs will have to be met. Recent months have shone a light on some uncomfortable truths. We have a health service that struggles despite the best efforts of health workers, weaknesses in our private model of early years education, and massive overdependence on the private housing and rental market to put a roof over the heads of low-paid workers. Will budget 2021 mark an important milestone on the way to a better, fairer and more sustainable Ireland? It should, but I doubt it will. On today’s evidence, it seems to me that it may very well be back to business as usual for Fianna Fáil and Fine Gael once we get over this hump.

International conditions have never been more favourable in terms of borrowing in order that we can invest. I implore the Ministers to shed their conservative instincts, pull out all the stops and invest multiples of the capital allocations they announced today on housing, health and education. They should do so now. As Chris Johns wrote in an article published in *The Irish Times* yesterday, it is time to show truly radical solidarity with those who, through no fault of their own, are suffering the most.

Every journalist to whom I spoke in the weeks leading up to budget 2021 asked me how

the State would pay for all the things I have stated it should do. Like any prudent and sensible business or household, it should borrow now to build back better for tomorrow. We have all been seared by the experience of the previous crash, a crisis that was caused by lax regulation of banks and property and a credit orgy of a kind not seen anywhere else in the world. The response to the previous crash from the international community and lenders of last resort meant the 2008 crisis lasted much longer than it ought to have. Of course, Fianna Fáil and the Green Party signed us up to a programme of tough medicine. Lessons from the international response to that crisis should be learned and applied today.

The actions of the European Central Bank mean that just last week Ireland could borrow €1.5 billion at negative interest rates on a ten-year bond. Covid-19 has very few silver linings, but one saving grace is the cheap long-term borrowing that is available to the State. Even the International Monetary Fund is telling us to invest in capital projects now. However, we cannot fight this war with old weapons from the previous war. In the words of John Maynard Keynes, the difficulty lies not in the new ideas but in escaping from the old ones. I note that the Ministers, Deputies Donohoe and McGrath, were agonising already in the context of their budget speeches about how we will get the deficit down.

The Government must be ambitious for Ireland and invest in building homes, schools, hospitals, colleges, metro links and other important infrastructure. That is the prudent and sensible thing to do right now. Let us do whatever it takes to maintain jobs and incomes. However, in my view and based on what the House has heard today, the Government is doing as little as it can get away with doing. On capital programmes, I note it is likely only to spend approximately €600 million on top of what it had already proposed, rather than the €2 billion extra expenditure suggested by the Labour Party.

In the view of the Labour Party, this budget should be the first step on the road to a new social contract forged between citizens and the State. The budget will be judged on three bases: does it do enough to protect workers, families and communities in their hour of need; will it fulfil the key role of the State in looking after the health and well-being of our citizens; and does it usher in a new era, a new social contract and a definitive move away from the tired Fine Gael and Fianna Fáil offering of tax cuts and poor delivery on housing, health and other social services?

Hundreds of thousands of families are watching these proceedings for signs of hope for the future. Some of them may be watching as they work from home. They may work for one of the successful multinational corporations which, thankfully, are doing very well. Their performance has been a saving grace for the economy and that advantage must be protected and built upon. Others who are watching may have worked in a pub or restaurant all their lives. Many of them used to work at this time of the day in a job they loved but have lost through no fault of their own or of the business that employed them. They need our support. They are the victims of the two-tier economy. The best way we can provide certainty to workers and businesses at this anxious time is to provide them with security that wages will be paid. There must be no cliff edge when the wage subsidy scheme expires in March. The Ministers signalled that they will provide support for wages and challenged businesses beyond next April. That is welcome, but we need to do far more. We can use such investment in enterprise and workers to drive change, improve business models, upskill workers and enhance pay and the performance of our economy more generally.

This is the time to do radical things and spend money correctly to keep people at work. It is

easier to maintain a job than to create a new one, and that is why the Labour Party has proposed a new wage subsidy and short-time work scheme entitled *Obair Gearr*. It is based on the German *Kurzarbeit* model that saved half a million jobs in Germany during the previous recession. The Government should use the money allocated to the employment wage subsidy scheme and add on €2.7 billion from the Brexit and Covid contingency funds to fund such a lifeline for businesses and workers. Of course, as the Minister, Deputy McGrath, pointed out, the European support to mitigate unemployment risks in an emergency, SURE, scheme is available to assist the State in the required spending in the next couple of years to keep people at work and to upskill and retrain workers. This all can be done and should become a permanent feature of our labour market. The Minister, Deputy Donohoe, admitted to me two weeks ago at the Committee on Budgetary Oversight that if such a scheme were in place when the crisis took hold, we could have saved hundreds, if not thousands, more businesses and jobs. There is a need to attach conditions to the businesses that benefit from these kinds of schemes. These should be fair conditions that drive the agenda of decent work and ensure those who benefit from State largesse in the coming period do not lay off their workers.

I understand the plans the Ministers announced to cut the VAT rate for hospitality. I get that those plans may be politically popular, but experience tells us the initiative will not do what the Ministers seem to think it will. This is not 2008 or 2011. Hospitality does not have a demand problem. Rather, it has a confidence and public health problem. An additional €7 billion has been saved in Irish bank accounts by those who are at work. The State should keep hospitality alive with business grants and various reliefs and incentives, the likes of which form part of today's package, as well as a wage subsidy scheme of the kind proposed by the Labour Party. The money is there to help those businesses when they can reopen again. However, at this time, the conditions to spend it are not there. Unfortunately, the proposed VAT cut runs the risk of becoming another deadweight policy involving a couple of billion euro being spent here or there to promote economic activity that would have happened anyway. The Labour Party agrees the hospitality sector requires support. It provides jobs in towns and villages throughout Ireland and those businesses are entitled to our support. However, it is worth recalling the last time the VAT rate was cut for that industry that did not improve the experience of customers in terms of cost and it did not improve the experience of workers in terms of their pay packets. If the Minister is determined to do this, he should make the cut contingent on engagement by the sector in the joint labour committee it continues to veto. This is how an activist state drives change and positive outcomes for the common good. It baffles me that we can spend billions of euro on State support for businesses and pay no interest whatsoever to changing the lives of those who work in those industries for the better. Look at the €50 million a week new business support scheme that is proposed today. This is the equivalent of a full €350 a week PUP payment for 150,000 laid off workers - the payment that this Government refuses to restore. Almost uniquely in Europe, this Government and its predecessor has chosen to pump limited amounts of cash into the business sector without any conditions whatsoever around improving the lives of workers.

Forty per cent of young people who are not in education or training are now unemployed and given the pressure under which the sectors they work are, there are few options available to them. We know to our cost in this country the scarring effect that unemployment has on young people. The experience stays with them forever. They cannot emigrate. They currently have few opportunities here. This Government needs to give them hope for a better future. It should not leave them behind. We must declare war on youth unemployment. We may have to accept the reality that many jobs that were lost will not come back. We say invest now in

almost 30,000 new jobs and training places in green technology, tech, retrofitting engineering etc. and deepen and broaden the spectrum and availability of apprenticeships, traineeships and education places today.

Young people today should be given the same kind of chance that I had in the 1990s - the chance to be the first member of my extended family to attend a university - thanks to the reforms and free fees brought in by the former Minister for Education, Ms Niamh Bhreathnach, of the Labour Party. We proposed this year spending €80 million knocking €1,000 off the student contribution charge. The Minister with responsibility for further and higher education and research, innovation and science should do the same on the way to a fully-publicly funded third level system.

It is deeply distressing that this Government has chosen to deprive workers of the full rate of the pandemic unemployment payment. If €350 was the floor of decency in March, it should be the floor of decency now too. The Government has told us that the pandemic unemployment payment will be available for arts workers and those who are self-employed operating in the arts and entertainment sectors and other exposed sectors. We will give the Minister's scheme a cautious welcome but the proof of the pudding will be in the eating. If we do not get this right, we are in serious danger of losing an entire generation of artists and technicians, and infrastructure build up over decades, and we will live to regret that. The reality of life, for example, for a sound technician or a lighting technician, is that he or she might get a gig worth approximately €1,000 for a night, two days or whatever the case might be. In this climate, this might be the only work that they end up getting for an entire month. Will they be allowed to average this out over a period of weeks to enable them to stay within the eligibility criteria? That is unclear to me. Furthermore, on the pandemic unemployment payment, will this Government decide to pay it to anyone who has lost his or her job and is on the pandemic unemployment payment this Christmas? Can we also please drop the term "Christmas bonus"? It is patronising. It is offensive. It suggests that someone who depends on the State for his or her income should be grateful for an extra week's payment at a challenging time of the year. There is much talk about flattening the debt curve, but what about the poverty curve?

This budget will not go down well with continuity Fianna Fáil. One of that party's many former agriculture Ministers wants the PUP to go back up. His retreat to the backbenches has coincided with a new-found concern for the jobless. It is a pity he could not find his voice when the Cabinet, of which he was a member, agreed to slash the payment in July. I agree with Deputy O'Dea when he said that one cannot cultivate social solidarity if one is implementing cuts to people on already low incomes. These fine words from the keepers of the Fianna Fáil flame who are self-isolating on the backbenches will not pay the rent for the 25,000 young people on the €203 lower rate of the PUP, for example.

Turning to this Government's approach to social welfare, it seems that it believes that there are two categories of citizens on social welfare - the deserving and the undeserving. I agree that those who are living alone require enhanced support but all of those who are on fixed incomes do too. Unlike Fianna Fáil, Fine Gael and even Sinn Féin, we believe that all of those on weekly social welfare payments should see a rise of €5 per week, and that includes pensioners. We know that Sinn Féin is good at rewriting history, but today that party wanted to rewrite its alternative budget proposals. Last Friday, they did not propose an additional €5 a week on each weekly social welfare payment; merely €3. We propose this €5 rate because of the threat of rising food and utility costs as a result of the prospect of a no-trade deal Brexit and the impact of this on the ability of a welfare recipient to make ends meet should be clear to everybody.

This Government has, yet again, failed to address the real needs of carers in this society. The rather tokenistic changes that will be made around income credits and the small addition to the respite grant do not cut the mustard. It is time we started showing the unsung heroes who keep their loved ones at home and care for them night and day 365 days a year the love and respect that they need by recognising the work they do. This year was the year we should have gone to town on the income disregard and provided the carer's grant to all. It was another missed opportunity to recalibrate this unequal society of ours. We had fine words, as usual, from the Tánaiste and Minister for Enterprise, Trade and Employment, Deputy Varadkar, about the value we place on lower paid workers in this country - the people who kept our health service going and our shops open when the first wave hit. These were empty words. A candle in the window, as a tokenistic mark of gratitude, will not heat the homes of those on the national minimum wage who will only receive an extra 10 cent an hour increase to their hourly rate of pay next year. Virtuous signalling from Deputy Varadkar will not put food on the table. A Government that genuinely believes we were all in this together did not have to accept the recommendations of the Low Pay Commission. However, they did, and they have turned their back on those they applauded earlier on this year. This is not the start of a new social contract; it is business as usual. Where was the Green Party when this memorandum came to the Cabinet table last week? This shows, when push comes to shove, they cannot be counted on to stand up for ordinary low-paid workers despite all of their rhetoric about social justice. Should we be surprised? The Green Party has form here. When the previous crash hit, the first thing they did, along with Fianna Fáil, was slash the national minimum wage by €1 an hour. It did not create a single job. It only succeeded in driving thousands of workers further into penury.

There are also many of these low-paid workers to whom this Government continues to deny a right that almost every other European takes for granted - the right to statutory sick pay. If this is a Covid budget, where is the right to sick pay? This Government is throwing money at the business sector in the form of grants, reliefs, wage schemes and the like, and yet it is washing its hands of sick workers during a worldwide pandemic. Eighty-seven per cent of the public supports Labour's statutory sick pay Bill and the deputy Chief Medical Officer spoke about the importance of decent sick pay as a weapon against the virus when he was in temporary charge. The Minister has kicked this down the road again, for at least another six months when we need it now. We have proposed that we make illness benefit available after the second day, not the third day as this Government is doing, at a cost of €70 million, and we have suggested a levy on the meat sector to fund sick pay too. Action on sick pay is needed now, not next year when, in fact, we could have a vaccine available before the kind of sick pay scheme that the Minister states he is interested in. This is a shameful state of affairs.

I also note that the Minister has allocated moneys merely to delay the rise in the pension age to 67, and where is the jobseeker's transition payment? There is no sign of the latter in the documents I have seen. I cannot see the funding for that. Therefore, the Minister has not even done half the job he is supposed to do. We do not want this delayed. We do not want it deferred. It should be dumped, taken off the agenda, once and for all. The legislation should be amended. Otherwise, this will create a dangerous cliff edge every year for hardworking people who should be entitled to retire when they originally expected to. Much, much more could have been done in this budget genuinely to make life better and more hopeful for the lower paid and for those who rely on the State for their incomes. This budget begs the question whether we are, as this Government constantly says, all in this together. I am not so sure that we are.

The pandemic has shown that chickens have come home to roost because of years of un-

derinvestment in public services. We have paid the price for Ireland having the lowest level of critical care beds in Europe, the lowest level of hospital consultants and the highest waiting lists, with currently 850,000 waiting for care. Despite years of delays regarding the implementation of Sláintecare, we were able effectively to nationalise private hospitals, practically overnight, in March, when we feared the worst. We need a healthcare system that works not only in a time of crisis, but for everyone all of the time. We should not wait another five or ten years for a change that we now know can and must happen. Ministers will tell us this week that we have the largest ever investment in health. It is not about the quantum of money; it is about what Ministers will do with it and how they will implement the things they say they will do today.

4 o'clock

During the first few months of the Covid-19 outbreak, the Government spent a massive €115 million per month on private hospitals, which were run at just one third of capacity. Rather than outsourcing our healthcare system to the private sector, the State could have stepped in directly to nationalise at least two private hospitals for an estimated €450 million, as we set out in the Labour Party's alternative budget last week and as our leader, Deputy Kelly, has articulated. This would have been a bold but necessary first step towards a single-tier public healthcare system - an Irish national health service - that serves everyone and delivers on a vital component of a new social contract for the Irish people. It would have assured the necessary capacity in our hospitals this winter as we face into a second surge of Covid-19.

There is also a risk of another health surge: an apocalyptic surge in non-Covid waiting lists and subsequent non-Covid deaths. We have warned about this. Deputy Kelly is blue in the face reminding successive Ministers of the dangers associated with this. Too many people have suffered due to the inability of our health service to cope with the pressure. We know that timely treatment of patients is crucial in terms of survival rates for a whole host of conditions including cancers, stroke and heart disease, yet the Government has done little or nothing to ensure screening services remain open, to bring such services back up the levels they should be at, or to reduce sky-high waiting lists.

In the Labour Party's alternative budget, we proposed €35 million in additional funding for cancer services, cancer screening and the cardiac care backlog. We welcome the resources that the Government says it will put into these services this year, but there is no plan or detail on how to get cancer care back on track. That detail is needed today, particularly by those who are worried about their health and that of their family members. There is nothing in the budget to support our creaking ambulance service, which is the first line of defence in this country. There is nothing in it about a terminal illness card, for which we have waited for far too long, and which would make a difference to many people's lives during the remainder of the time they have with us.

Free GP care is also a critical component of early intervention and prevention of Covid-19 and non-Covid illnesses. We made the important first steps but Fine Gael has dragged its feet on major extensions to this scheme.

The Government's winter plan has finally acknowledged the need to treat people in the community. Necessity is the mother of invention. However, the talk of community care we have heard in recent times is cheap when one in five primary care centres does not yet have a GP, while many more lack basic diagnostic equipment. The Labour Party's alternative budget set aside €40 million to fast-track community diagnostic and assessment hubs to take pressure

off our acute hospitals at this very difficult time.

Nowhere has poor policymaking and waste of public funds been more evident than in the mismanagement of our housing system by both Fine Gael and Fianna Fáil. Any new social contract must finally address the issue of housing, which is a running sore that has bedevilled our country for far too long. My parents, a factory worker and a confectioner in a local bakery on modest wages, could afford to buy a home back in the 1970s and rear two kids in it. They knew that if they could not get a mortgage, they could access a decent home from the council. We used to take both of these aspirations for granted, but now they are unrealisable for far too many people. I have been a public representative for 21 years and I have never before witnessed so much precarity, anxiety and hopelessness about housing from the people I represent.

This budget promises much on social and affordable housing but the track record of delivery warns us to be sceptical about today's headline-grabbing announcements. By the end of June, only 1,467 public homes had been delivered this year. This is shocking and does not inspire confidence at all. There is simply no substitute for building the social and affordable houses that people can call home.

The Minister, Deputy Michael McGrath, said earlier that the Government will build 9,000 social homes next year. I do not buy that for one minute. It is nowhere near the kind of resources that my colleague, Senator Moynihan, has identified to allow us to build 2,000 homes on top of those already committed to in the national development plan. We will spend considerable sums of money building social homes next year but we will spend more supporting housing assistance payment, HAP, rental agreements. Some 15,000 HAP agreements will be supported next year by this Government, when those resources should be focused and targeted on public and affordable homes. The Government should do as we suggest and provide an extra 2,000 local authority homes next year on publicly owned land. It could also do as we suggest by providing another €500 million for seed financing for at least 4,000 affordable rental homes and 4,000 extra affordable homes per year under our housing plan, which envisages €16 billion being spent over a five-year period to build 80,000 new homes.

This budget continues the subsidising of the inflated house prices we are experiencing at the moment. It continues the supporting of high earners through the really bogus help-to-buy scheme. The Minister should get rid of this scheme now. The ESRI has called it a poorly designed scheme, while a 2019 analysis by the Parliamentary Budget Office showed that the pre-existing scheme generated a deadweight loss of over 41%. What a waste of public money. Taxpayer's money is being used to subsidise home purchases for those who can already afford to buy. Despite this evidence, the very first act of the new Fianna Fáil housing Minister, Deputy Darragh O'Brien, was to extend and enhance the level of subsidy provided under this failed scheme, and he is doing it again today. This is reckless and plain stupid. This is not a policy on housing; it is a policy for developers. Scrapping this policy alone would have saved €102 million which could have been ring-fenced for homelessness prevention measures or affordable homes. The shared equity scheme and the extension of the help-to-buy scheme represent an extension of State money to developers. That is all it is - nothing more or less. We have not seen a new site value tax on underdeveloped land, or a levy on empty houses of €200 as proposed by Social Justice Ireland. It is estimated that these types of measures would have yielded €75 million for local authorities in 2021, money that is badly needed due to the massive drop-off in commercial rates and the cuts to local property tax implemented by Sinn Féin, Fianna Fáil and Fine Gael across the country.

As part of our new deal for renters, the Labour Party would have provided a €15 million rental arrears fund to help those in rental arrears through the worst of the crisis. We also would have returned to the idea of rent freezes. We know well about rent freezes. We know they can be done. Deputy Kelly knows this can be done. It has been done before. The resistance of this Government and its predecessor to fix the problem for renters is scandalous and will come back to haunt it.

Our vision of a new social contract is not only about building more homes, but also about sustainable communities. That is why we have proposed very significant interventions in home retrofitting and supports for local authorities and communities to ensure our towns and villages are liveable places. We need investment in our towns and communities to make that happen.

The Labour Party's alternative budget proposed to ring-fence part of the revenue from our proposed €10 increase in carbon tax - €2.50 more than the Government's €7.50 increase - to fund a significant national home insulation programme, to extend the period of the winter fuel allowance by four weeks and to increase the weekly payment by several euro. That is very important this year because older people in particular will spend much more time at home, co-ooning and keeping themselves safe, as a result of the pandemic.

I was intrigued by the earlier references to the national economic recovery fund. A figure has been mentioned, but we are still not clear on precisely how much will be in that fund and what it will be used for. Over recent months, current and previous Ministers have managed to escape the Dáil's gaze in relation to the eye-watering sums of money being spent this year to take on Covid-19. The Irish Fiscal Advisory Council, IFAC, the Parliamentary Budget Office and others have criticised the fact that there has been little or no Dáil oversight of the Government's spending so far this year. Performance indicators have been dispensed with. "Trust us" is what the Government has said. Fianna Fáil has to earn our trust again and we know how wasteful that party can be with taxpayers' money. We have lived with the consequences over recent decades.

From the figure that has been mentioned of under €4 billion and the limited details the Government has made available, the economic recovery fund stands well short of the €10 billion multi-annual stimulus proposed by IFAC. Any fund or stimulus needs to be big enough to make a real difference, but this looks wide of the mark and displays again a considerable lack of ambition by the Government.

I wish to have an uncomfortable conversation about tax. By God, does this country need a grown-up conversation about it. Fianna Fáil and Fine Gael see tax as a burden that people must carry. Those parties' settled view is that, the less that workers and businesses pay, the better. For me and my party, tax is an investment. Levied fairly, it can open up significant possibilities to help make our country work better and our economy work more fairly. Any of us who have served in government take pride in the fact that this country has a progressive tax system - those who have the most pay the most. This has been borne out by the fact that income tax receipts and corporation tax receipts have held up exceptionally well during this crisis.

However, a read of the latest figures exposes a major underlying risk. We are far too dependent on vulnerable corporation tax revenue to fund our State. One in every five euro taken in tax receipts is from corporation tax. What is more, the bulk of it is generated from a small handful of companies. Our tax base needs to be made more sustainable and it must be broadened out. In the ten years since the crash, we have replaced an over-reliance on stamp duty

on property transactions with an over-reliance on corporation tax. This is a game of Russian roulette with our future. I agree that we must defend our right to set and maintain a corporation tax rate of 12.5%, but that should be the effective minimum rate and reliefs and so on should be avoided. Everyone should pay corporation tax and a fair share.

Corporation tax is an important element, albeit not the only one, in our offering on good jobs and investment. With most of our eggs in one basket, it is dangerous that the programme for Government has meant the Government has tied its own hands in refusing to countenance a conversation on higher taxes even on the much better off in this country over the Government's lifetime. It could have listened to the Labour Party, for example, and generated €250 million more by removing tax credits on all incomes over €100,000 in a tapered fashion. The Government chose not to. It is bizarre that, even at a time like this when departmental officials are worrying themselves to sleep at night about the deficit, the very same Department refuses to provide costings to me on the introduction of a net wealth tax. The people who worry about the sustainability of our borrowing levels are the same ones who will not even give a moment's thought to generating some more income from taxing unearned inherited wealth, gambling in shares, and massive pension pots that have grown thanks to tax reliefs and property, the asset in which most wealth is held. We have shown the Government how €1.8 billion could be raised by targeting wealth and assets, but it chooses to look the other way.

On the taxing of property, Fianna Fáil and Fine Gael have more in common with Sinn Féin than either would care to admit. Sinn Féin is now preparing for government, of course, and as its cowardly policy on property taxes exposes, it is about as prepared to tax wealth as Fine Gael and Fianna Fáil are. That is the truth and has been the experience. The evidence is there. It is a strange party of the left that says it does not see property and land as assets. In fact, Sinn Féin wants to cut the tax on a millionaire's mansion by 20% according to its alternative budget, leaving our cash-starved councils even more financially vulnerable than they already are. This is hypocrisy of the worst kind. It is eminently possible to design a tax on wealth that does not impact on jobs and businesses, but the will simply does not exist.

I agree with the Minister for Finance's remarks about the necessity of a commission on taxation and welfare. My party has called for that for some time. We need to take a closer look under the bonnet at how our taxation and welfare systems work and interact so that we can better support employment and business. Pragmatic business leaders who care about our country understand that we need to have a mature, grown-up conversation about tax and PRSI if we are to plan strategically and smartly for the future.

I was intrigued by the Minister for Public Expenditure and Reform's references to the plans under the programme for Government to create a series of well-being indicators in order to monitor the country's performance, not just economically but socially and environmentally too. We have already written that legislation for him - Deputy Howlin did it in 2017, and I updated it just a few short weeks ago. The legislation is ready made, and we will ask him to support it in the coming time.

One of the large gaps in today's budget proposition is the veritable absence of a pathway to creating a better, more decent and fairer childcare model. Ireland has the greatest reliance on private childcare services in the OECD as well as a lower-than-average level of Government investment. None of that has changed today. This is a missed opportunity to usher in what we might call a State-led childcare model. Our alternative budget proposals on this matter have been consistent - we made them last year and included them in our election manifesto. We

have proposed setting aside €60 million as a first step in developing a universal public childcare system. Nothing is more important. We have a significant over-reliance on the private sector to educate the youngest in our society. Good, decent early years education gives young people an advantage before they get to school and throughout their lives, not just in terms of education, but also socialisation. We need to re-examine the matter of childcare. It is more appropriately termed “early years education” because that is what it is. Thousands of early years educators are seeking a living wage. Many of them earn barely above the national minimum wage. Many of them have been educated up to masters level but are earning less than €12 per hour. We have a system where parents are not satisfied because of the excessive costs and where providers and workers are not satisfied either. This budget is a missed opportunity and shows a distinct lack of ambition to reshape our society into a fairer and more decent, caring and equal one. Nowhere is that more evident than in the absence of any serious thinking on a publicly funded, public-facing and publicly produced childcare system.

The Labour Party is patriotic. That does not mean that we go around waving flags at every opportunity. As a party, we are proud of the role we have played in building the institutions of the State and making this country fairer and more equal, driving real change not just in government over the decades, but also in opposition. We have always put our country and the interests of its people before the interests of our party.

Today, we are in an unprecedented situation. People are worried for their health, jobs, businesses and families. It is not a time for opposition for opposition’s sake. It is not a time for naked political opportunism. We will leave that to others. The public health and economic emergency requires solidarity. We will support those measures announced today and that might be taken up by the Government over the next period that we believe will work. Where we do not believe that measures will work, where the sums do not add up or where the Government’s ideas and initiatives fall short, we will propose alternative solutions. It would be churlish to oppose every aspect of a budget that provides billions of euro in additional resources to provide better safety nets for people and assistance for businesses and try to improve our health service, but nothing in the Budget Statement assures me that we are on our way to creating a new social contract, a new understanding where people who pay their taxes and work hard get better basic universal public services. It gives me no confidence at all. At this time of national emergency, we want the Government to be as ambitious for Ireland as we are, but the scale of our ambition is not matched by what we have seen today.

Deputy Róisín Shortall: This is a budget like no other. It is being introduced in the context of events that are largely beyond our control. Certainly, no one would have chosen the circumstances in which we find ourselves. Covid-19 and Brexit are the twin challenges of budget 2021. How we respond to those challenges is critical.

People who face insecurity, Covid-related and non-Covid health concerns, loss of income and worries about schools and all kinds of services will look to this budget to see what certainty the Government can provide. I think they will be disappointed. There is a need for the Government to focus relentlessly on the public interest and the public good. This means very clear and determined action to drive down the incidence of Covid-19. It means income protection for those who have lost their jobs. It means targeted supports for those sectors most impacted by Covid. It means substantial investment in universal public services. Most of all, it means a budget that offers hope. We entered this pandemic as a country that was ill-equipped to deal with the consequences. This budget is about surviving the ongoing impacts of the pandemic, while also reviving our economy and society to take us through this exceptionally difficult time

and on to better times.

We are approaching this task with a radically changed attitude and approach by the European Central Bank, ECB, and the European Commission. It would seem that lessons have been learned at a European level from the last recession. On that occasion, there was an obsession with deficit reduction and responding with austerity, which caused devastation for many people. In this instance, the message is to spend extensively in order to invest and grow our way out of the crisis. That has been hugely enabled by the decision of the ECB to facilitate very cheap borrowing. The spending available in that regard must be done wisely and productively to meet the two objectives of survival and revival.

The consequences of decades of underinvestment in public services and an often cavalier approach to public provision have been laid bare as a result of this pandemic. It was patently clear that leaving key public services to the market - a privatised way of doing things, as practised by this and previous Governments - left us exposed and very vulnerable. The Government parties have come late to the acceptance that we must build up our public services and that we can afford to invest in the future of our society. In the early months of the pandemic, it became very clear just how underfunded and underdeveloped most of our services were. The Government was forced to urgently ramp up those services to enable us to respond to the virus. However, those changes, including the expansion of services, additional funding and the extended involvement of the State, need to be embedded in how we make post-Covid plans for the development of public services. There can be no going back to the kinds of policies which left many people exposed to insecurity. The clear priority and focus must be to provide adequate investment in the public provision of key services, as well as addressing the ongoing deficiencies in how we respond to Covid.

The presence of Covid, the escalation in the rate of infections, the implications and fears associated with the virus and the response to it are things that dominate our lives and are likely to do so for some time to come. Responding adequately, breaking the chains of transmission and driving down the virus while, at the same time, protecting the most vulnerable must be a key priority. Most people are working very hard to comply with the public health advice and the severe restrictions that have been imposed on everyone. Increasingly, however, there is a sense that the Government is not adequately playing its part. Why is it that, seven months in, we still do not have a properly functioning test and trace system? Why did proper staff recruitment start so late? When will we see the rapid turnaround times necessary for the testing system? Why is long tracing not being done to establish the modes of transmission? It is very hard to understand why we have not addressed the issue of travel. Why are we not ready to join the EU's traffic light system with a proper testing or quarantining arrangement? There was no mention of that in today's budget or of the huge difficulties faced by the aviation industry.

Why are we not seeing clear messages tailored to different cohorts to ensure the public health advice is getting through to people? Why, after ten years, is the recommended number of critical care beds not in place? It is very disappointing to see in today's budget that funding has been provided for only 66 additional critical care beds when we know, and have known for the past ten years, that there is a shortage of at least 250. The gross neglect of public health services and the severe inadequacies in the system have resulted, as we all know, in unacceptably long waiting lists and denial of access to timely care for very large numbers of people in our country, in terms of both community and hospital services. These chronic problems in our health service have seriously hampered the country's response to Covid-19, forcing the State to secure additional emergency beds from private hospitals at very significant cost.

New demands on service delivery, infection prevention and control measures and social distancing requirements have put further extreme pressure on a system that was already operating way over capacity. Ireland has never had a fully functioning health service. There has never been any excuse for that and there certainly is no excuse today. The Sláintecare plan to reform our health service was published in 2017 and should now be in its fourth year of funding. Instead, it has never received the kind of substantial funding or backing from Government necessary to implement it. What matters now is what happens next. It is vital that the additional funding being allocated to the Department of Health not only caters for future surges of Covid-19 but is invested in a way that brings about the much-needed system of reform set out in the Sláintecare plan. While the headline figure of €4 billion for the health service is a very substantial one, it is important to look at the detail and note that more than half of that sum is going to fund continued testing and tracing and ensuring adequate levels of personal protective equipment, PPE, as well as other aspects of responding to Covid. That leaves less than €2 billion for the health service, a large proportion of which relates to capital investment about which we were already informed.

The Sláintecare plan sets out two key elements which relate to the very principles of a properly functioning public health service. First, we must ensure that we shift activity away from the acute hospital sector to the community and primary care level. There is very little mention of that today. There is no provision for the additional numbers of staff, including GPs, nurses and therapists, that are needed at community level not only to address the long waiting lists but also to ensure we can achieve the type of reform set out in the Sláintecare plan. The other key element is ensuring we remove the obstacles to people being able to afford to access care. In other words, we must remove the cost element. Again, there is no progress at all on that in terms of extending access to free GP care and medical cards or reducing the cost of medication. It is really important that we move in that direction. Unfortunately, in spite of the lip service paid by the Government to the implementation of Sláintecare, those key elements will not be addressed by what was announced today. It is only at the point where we grasp those fundamental principles for having a proper national health service that we will start to make progress. The Government has signed up to Sláintecare but it is disappointing to see the slow progress as a result of today's budget announcement.

In childcare, Covid-19 has exposed the extreme precariousness of a privatised model of childcare where the State had to step in to pay the wages of staff and subsidise providers during the pandemic. An obvious failing in this budget is that there remains no pathway to the kind of national childcare policy that would guarantee quality, affordability for parents, and decent pay and conditions for childcare workers. We have traditionally completely underinvested in this area. The State stepped in during the pandemic and we should have looked to embed those changes that were made at the height of the pandemic so as to achieve the kind of reform that is so badly needed. Regrettably, the Government has not availed of that opportunity today.

In the area of education we are now counting the cost of having an underfunded education system, leaving us with the highest class numbers in Europe. We know only too well of the inequality in education outcomes and the uneven access to college and to third level education generally, but through the efforts of many, the participation rates have been improving in recent years. In third level, the weakness of a model that relies far too heavily on fees from overseas students has been exposed by the pandemic. The investment in education by this budget is welcome but is not of sufficient quantum to make a very real difference. It falls far short. Someone decided to get the news in early that the Government would introduce funding to bring class

sizes down. We have to remind ourselves that within the OECD the average class size is between 21 and 22. An OECD report last year placed Ireland in joint last place out of 33 countries ranked in investment in education as a percentage of GDP. Today's budget does not get us very further up that list. We need to view the Government's figures today in the context of a situation where nearly €20 billion is being spent. In that context the allocation to education is very disappointing indeed.

Chronic underfunding of social care and the light-touch regulation of the privatised nursing home sector have clearly failed older people over many years, not only during the Covid crisis when it was at its height. These policy failures have created a very real danger for older people in Ireland and, tragically, have led to many deaths that may otherwise have been preventable. Equally, the underfunding of home care and its deregulation have resulted in long waiting lists for care in the home and ongoing delayed discharges from hospital. While there was some allocation for home care in the winter plan, this will merely help to address the current waiting lists and do nothing to the expected substantial increase in waiting lists throughout 2021. In addition, we urgently need a statutory entitlement to home care.

I turn now to employment. We entered Covid-19 with an economy with high levels of insecurity, a prevalence of low pay and a real lack of certainty for many workers in their working lives. We need to see recognition for our essential workers in this budget, at the very least in access to a proper sick pay scheme and in addressing the low-wage economy. At a bare minimum, all our workers need to be paid a living wage. We also need a sick pay scheme to protect workers and especially those who work in areas where many are at serious risk. These are workers in meat factories, for example, who felt they had no choice but to continue to go into work when they were feeling unwell. This was because they had no guaranteed sick pay scheme. Many care assistants in nursing homes were also living and working in very precarious circumstances, and did not have the luxury of taking time off when they felt unwell because of the absence of a sick pay scheme. We paid a big price for that.

Rather than kicking the can down the road, the Government should bring employers and workers around the table to thrash out a fair sick pay scheme. This is a matter of public health, particularly for those vulnerable workers I have referred to. It is also a matter of justice for them. Everyone should have security in their income if they get sick.

On mental health, the severe adverse impact of Covid-19 on the nation's physical and mental well-being cannot be overstated. A recent surge in referrals as a result of Covid-19 has put new and extensive demands on mental health services which were already chronically underfunded over recent years. Coupled with long waiting lists to access mental health care, providers have been left completely overwhelmed and people who are in serious need of urgent care have been left waiting even longer. Budget 2021 needed to make a serious investment in mental health services to address the historic shortfalls and to make up for the additional resources now needed to grapple with Covid-19. A figure of €80 million is required to be invested in mental health services. It is extremely regrettable that the budget has provided for less than half of that figure.

The pandemic has presented challenges across all of our society, but people with disabilities, their carers, and the organisations that provide social care and disability services have felt its effects particularly severely. We are aware that day care services were very badly affected and are very slowly coming back on stream. Today's announcement of additional funding for disability services is very welcome. I warmly welcome that and it is not before time that this

kind of allocation was made. I would raise one particular issue of concern, however, which is the cost of disability payment. It has been a demand by people with disabilities and advocacy groups for a very long time. There are additional costs that result from having a disability, including costs such as heating, special diets, adaption of the person's home and so on. This is why there is a very strong case to be made for a cost of disability payment. Regrettably, people have to wait yet again for consideration of that payment.

My colleague Deputy Cian O'Callaghan will refer to the issue of housing in detail shortly. Nothing illustrates the failings in public policy by successive Governments like this country's approach to housing. Policy has been driven by special interests, not the public interest, and has long been the hallmark of this country's approach to housing. This budget completely fails to address a key issue in housing, which is affordability. It takes no account of that whatsoever for those who rent or those who are purchasing. The tokenistic element provided in the budget of a mere 2,000 affordable homes is derisory. The Government should be setting out very clearly a range of policies to drive down the cost of housing. Yet again, this Government, headed by Fianna Fáil and Fine Gael, and indeed the previous Government, have completely failed to grasp the nettle in this regard. Two measures, help to buy and stamp duty, just reinforce the problems that are there. They are, effectively, subsidies to developers. This exposes what I believe is a complete misunderstanding of the nature of the housing problem in Ireland on the part of the Minister and his Government colleagues.

I turn now to income supports and the two big policy responses that were the introduction of the pandemic unemployment payment, PUP, and the employee wage subsidy scheme, EWSS. These were introduced at great speed, which was the correct policy response at the time. However, there is a clear danger that withdrawing those schemes too early or reducing the rates or terms of same will hurt the very people who availed of them and will also hurt our wider society. At the very least we should have maintained the PUP rate into the future and should not have imposed a time limit on its payment. People need guarantees around their income to have some sense of security and an ability to make plans for the future. The employee wage subsidy scheme needs to be correctly targeted to ensure that workers in the sectors who need it most can avail of it into the future. I am concerned at today's announcement that the extension of that scheme to the end next year will not be on its current terms. I await further detail on what changes the Government is proposing in that area. The wage subsidy scheme has been very successful and we should be continuing it on its current terms at least until the end of 2021.

Covid-19 has demonstrated clearly that we cannot separate economic policy and the provision of public services. The assumption made by some that public services are funded as some kind of afterthought to economic growth has been totally undermined by the pandemic. Good quality, strong public services underpin the economy and our society. The consequences of decades of underinvestment and separating the economy and public services from society have been laid bare. The importance of positive connections and a robust community where people look out for each other has been clear to see in recent months. The sense of solidarity across society has been essential in responding to Covid-19. The Social Democrats have long insisted that we live not only in an economy but also in a society. This means that we see the economy and society as being inseparable. Strong investment in public services can sustain positive economic benefits and fairness and equality of outcome are the principles which should underpin all our economic policy.

If the State can intervene to provide certainty to businesses, and it is absolutely right that it should, it must ensure that this process is fair. It should, of course, include the voices of em-

ployees in those businesses. We must ensure that the money is spent in targeted, effective ways and not wasted. We await further details on the Government's proposals in this area and my colleague, Deputy Catherine Murphy, will be responding further on business supports tomorrow.

Another important area in this budget is that of carbon tax and there are parts of this budget that we welcome, undoubtedly. We support the steps being taken to increase carbon tax as a means of changing people's behaviour in respect of the environment. However, a commitment on carbon tax must be accompanied by a commitment that people on low incomes will not be punished financially. The increases in the fuel allowance and the living alone allowance announced in today's budget do not fully offset the €7.50 increase in carbon tax. It is important to bear in mind that the number of people in receipt of one or other of the aforementioned allowances is limited and is likely to be fewer than one in four people. There is a glaring omission in today's announcement in terms of a failure to introduce offsetting measures for working families, many of whom can be described as the working poor. I refer in particular to people on very low incomes, trying to support families with children at a time when the cost of living is increasing. The Government should have introduced a measure to support low-income families because increasing carbon tax should not be about impoverishing those who are least able to carry the burden.

Budget 2021 includes many measures to support businesses and employment but these must be accompanied by measures to support decent and secure work. That is why, in addition to the basic requirements for a sick pay scheme and a move towards a living wage for all, we must improve people's quality of life in respect of work. Part of that should be the introduction of the legal right to collective bargaining but this and previous Governments have dodged this issue for a long time. In recent times there has been a lot of recognition of and praise for the essential workers who have kept this country going during these most difficult times, but that is hypocrisy unless the Government is prepared to take the next steps to provide secure employment by legislating for collective bargaining and the right to fair representation in the workplace.

There are other issues that we need to address *vis-à-vis* the world of work, including the right to flexible work options. Experience over recent months has shown that people would like to have greater access to flexible work options. That is why the Social Democrats have proposed that a commission be established to examine the area and make recommendations on how to move towards the introduction of a statutory right to flexible work options, including a four-day week. Now more than ever, staff working from home need the right to disconnect to prevent overworking and to safeguard their mental health.

Lessons must be learned from the experience of recent months. We must ensure there is no going back to the kind of dysfunction that we saw pre-Covid-19. We must ensure that our society improves as a result of the lessons learned over recent months. The main lessons relate to the provision of public services and ensuring they are adequately funded, but today's budget does not go far enough in terms of learning those lessons. It does not help with the cost of living either. The main areas that feed into the cost of living are the cost of housing, healthcare and childcare, and these key elements needed to be addressed today but were not, unfortunately. The Government did not avail of the opportunity to do so and there is no excuse for that. We know that there is almost endless borrowing available at very low, even negative interest rates. The Government should have availed of that important opportunity and borrowed more extensively, as well as raised taxes from those areas that can afford to increase their contribution to our society. That would have enabled us to go much further in terms of the reform and exten-

sion of our public services. It would have enabled us to do something really meaningful on housing and healthcare. It would also have enabled us to provide the necessary funding for mental health services. Unfortunately, those steps were not taken.

There is still a mindset in Fine Gael and Fianna Fáil that is hung up on deficit reduction. I am really concerned by the comments of the Minister for Finance on a return to concentrating on deficit reduction at the end of next year. That is not the mindset or the approach that is required, not only at this difficult time but into the future if we are to develop our economy and society to be inclusive for everyone. People need hope that lessons have been learned and that a better economy and society can emerge. The budget will be judged by whether the Government did that today but I believed it failed to do so.

Deputy Jennifer Whitmore: Covid-19 has brought hardship to many in this country. It has threatened people's physical and mental health as well as their jobs. Families have been stretched financially, materially and mentally, and they are really looking for some hope and for a helping hand to get them across the line. That is what our Government should be about.

Young people in particular have had a difficult time. At a time in their lives when they should be carefree, their needs have largely been forgotten and they have been met with unnatural constraints and a lot of negative criticism. As party spokesperson for children, I am acutely aware that it is children and vulnerable families who have borne the brunt of the effects of the current pandemic, and I believe it is they who should get the most support in this budget.

A total of €70.75 billion was allocated in this budget today, which will be the largest of any budget in Irish history. We are borrowing at a record rate and at least cost, which should mean no one is left behind, no sector is overlooked and no issue is sidelined. Unfortunately, that has not been the case. Some key sectors have been largely overlooked by this record spend, which I believe will make it harder for children, young people and families to navigate the current pandemic. This approach will not deliver on the much-sought-after hope and support for those children and young people who are looking to visualise the end of their struggle.

As an example, the Department of Children and Youth Affairs has seen only a 6% increase in its budget compared with 2020 figures. The budget document was particularly stark in that it said the 2021 budget allocation for early learning and care remains at the 2020 level. The Social Democrats believe this was a missed opportunity not only to address the chronic underinvestment in the sector, the issue of quality of childcare and the crisis of low pay in the sector, but also to close the gap in funding which makes Ireland one of the worst performers when it comes to early years investment. It also means the vision for a move towards a more public model of childcare and early years provision will not be met. Interestingly, early in the pandemic, in March, the then Taoiseach, Deputy Varadkar, indicated in the Dáil that he shared this vision, when he said:

When it comes to childcare, our plan always had been to expand ECCE, early childhood care and education, and to expand the national childcare scheme incrementally, thereby reducing the amount parents have to pay. In some ways we have done that in one fell swoop, an incremental measure done very quickly. The House might decide not to roll that back entirely.

Unfortunately, that roll-back has happened and the vision of a move to a public childcare system was not upheld. That particular kite has not had the wind of this budget to keep it afloat.

This is despite the fact that childcare was and is the cornerstone of the return of our economy after the lockdown. How can we expect childcare providers and staff to continue to work within the current dysfunctional system? How can we expect stretched families to continue to carry the weight of those childcare costs on their shoulders?

I welcome the extra funding for Tusla, which does incredibly important work, and the additional funding for families in direct provision. Vulnerable children will certainly benefit from this, but the systemic failings of direct provision will remain, so I hope to see swift movement in rectifying those fundamental failings of the system.

In regard to young people, while I welcome the additional €5 million for youth services, I believe much more is needed to help young people navigate both the current crisis and the period coming down the road. The crisis has had an enormous effect on the young population, and this has not received the attention it deserves to date. I will continue my work on this issue in my position on the committee on children.

The Social Democrats recently put forward a Dáil motion calling for an end to child poverty. While there are a number of anti-poverty initiatives in this budget document, including an increase in the school meals programme, which I welcome, it will not be the systemic change we need to address child poverty in this country. While the expansion of the children's meals programme will reach an additional 35,000 schoolchildren, other initiatives, such as the fuel allowance increase of €3.50, are tokenistic and will be absorbed primarily by the cost of living and fuel increases. As highlighted in my motion, there is a need to introduce systemic change in how we approach poverty in this country, and marginal increases in income will not do much to address this.

Some of the initiatives in the budget are almost insulting to struggling parents. For example, there is an increase in the qualified child income rate to €2 for children under 12 and to €5 for children over 12. A family may notice an extra sliced pan or a carton of milk but they will certainly not get any sense of hope with regard to any of the financial difficulties they may face. Shamefully, these measures will not do anything to lift 90,000 children out of consistent poverty. At the time we put forward the motion, I was hoping that perhaps the Government would use the opportunity to put a higher target on the number of children it would expect to lift out of consistent poverty, and I was surprised it did not take that opportunity. Perhaps I can see why, in that the Government realised it was not going to make significant inroads into addressing consistent child poverty.

Budget 2021 was also an opportunity to support parents as we navigate the Covid crisis. As my party's spokesperson on children, I have spoken about the need to increase paid support so parents can be with their babies for the first year of their child's life, in line with best international standards. I welcome the fact there is an additional three weeks' parents' benefit, and I ask that this be introduced early in 2021 rather than leaving it to the latter part of that year.

As spokesperson on climate change, I want to touch on a few of the measures that have been introduced in this budget. I welcome the announcement on investment in retrofitting and transport. We are at a very important environmental juncture in this country and we need to invest significantly in a sustainable future. However, the speed at which we are capable of implementing these measures is something we need to address. To date, investment in retrofitting and electric vehicle, EV, infrastructure has not kept pace with what is needed, and the Government will need to ensure this is achieved more speedily.

Covid-19 has challenged the way we think about our lives. Budget 2021 has failed to acknowledge that people are rethinking how they work, the way they live in their local communities and the time they spend with family. It is making us all think about what we really appreciate in life. Budget 2021 is an opportunity to reflect on what we value now and what we want for the future.

Deputy Cian O’Callaghan: One of the biggest challenges we face as a country is to ensure that people can access housing that is affordable and secure. The peace of mind that comes from having somewhere people can call home, where they are not living in constant fear of the next rent rise or an eviction notice, is invaluable. Having a place that is home allows families to plan ahead and provides the stability and security that enables communities to thrive.

The lessons from Covid are clear. We need high-quality housing and sustainable communities with good infrastructure, amenities, parks, open spaces, schools and public transport. There must be no going back to the failed policies of subsidising private developers, which have been an abject failure. We must build public housing that is affordable to buy and rent on public land.

Let us be very clear. A housing crisis is exactly what we have. Almost 9,000 people have become homeless and are living in emergency accommodation. More than 2,500 children are living without the security of a place they call home, often in cramped conditions in hotel rooms. We are now spending €4 million every week on emergency accommodation for people who have become homeless. Increasingly, the Government is relying on private operators to provide emergency accommodation, where making a profit rather than providing support is the main objective. People who have become homeless are met by private security guards instead of qualified support staff and are subjected to dehumanising rules, including, in some instances, not being allowed to speak to other residents. There is a complete lack of independent inspection and regulation of these private operators. This budget continues the failed policy of putting millions of euro into the hands of private operators of emergency accommodation.

Renters in Ireland have faced some of the highest levels of rent increases in the European Union. Rents have increased by over 40% in the past 13 years, which is double the European average.

5 o’clock

Rents have skyrocketed. The average rent in Dublin is now more than €2,000 a month, which puts a great strain on families, especially those working in lower-paid jobs. The very people who have kept this country running, kept our supermarket shelves stacked and supplied, cleaned our hospitals and looked after our elderly as care assistants continue to be put under great pressure with exorbitant rents. Rents cost more than mortgage repayments but many renters are locked out of buying a home. State payments and subsidies to private landlords to support low-income renters in insecure tenancies are fast approaching the €1 billion mark. These subsidies, which inflate rent levels, would be much better invested in an affordable rental model. This budget continues the failed policy of putting more and more money into subsidising high rents and private landlords. It makes paltry provision for cost-rental housing and will only fund 400 cost-rental homes. We need to show ambition and we need cost-rental housing to be delivered on scale.

Housing that is affordable to buy or rent remains beyond reach for many families. New homes provided by private developers are sold at approximately twice the build cost with land

costs, professional fees, levies, taxes, developers' margins and profits accounting for the rest of the price. Construction costs in Ireland are higher than in other countries such as France and Germany. In the Netherlands, construction costs are 18% lower than in Ireland.

Mortgage costs in Ireland are also considerably higher than in other European countries. A family with a mortgage of €300,000 in Ireland will pay €80,000 more in interest than a family with a similar mortgage in Germany.

On top of this, only approximately 16,000 homes will be built this year when we need at least 35,000. The model of relying on private developers and speculative developers is broken. It does not work and it is abundantly clear that we need a change in direction. Instead of introducing a new model of direct-build affordable housing, this budget will put millions of euro in subsidies into the hands of private developers to maintain high prices through the shared equity scheme and other initiatives.

The shortage of social housing has caused havoc for people who are unable to afford increasing rents in the private rental sector and has led to unprecedented numbers of people becoming homeless. We are way off course to meet the Government's target of building 8,000 social homes this year. Less than 10% of the target number had been completed in the first half of the year. At the end of each calendar year, as the Government fails to meet its build targets, we see a large number of turnkey acquisitions for which the Government pays developers over the odds.

Likewise, the Government is paying over the odds for Part V social housing units. In one extreme example, developers sought to sell just 14 apartments to a local authority for more than €9 million. When it comes to providing social housing, long-term leasing is another win-win for developers with the State effectively paying the full cost for homes over a 25-year period while the developer retains full ownership. We need investment in social housing that is good value for money in the long term and we need to end the subsidies provided to developers through long-term leasing and turnkey acquisitions. This budget provides for fewer than 600 additional new social homes beyond those already announced in Rebuilding Ireland. This shows a complete lack of ambition.

We need a budget that works for people and families and which will give hope to those who are struggling to pay rent and who are living in fear of eviction and becoming homeless. We need a budget that will make housing affordable to buy and rent. Instead, we have today seen a budget with which developers will be happy. Developers asked and lobbied for more subsidies to support their model of housebuilding and land speculation and that is exactly what they got. Subsidies that go to private developers through shared equity schemes or grants for first-time buyers push prices upwards and keep house prices at levels that are out of reach and unaffordable for many, as my colleague, Deputy Shortall, has said. The approach that needs to be taken is one that drives down the cost of housing to make it affordable by tackling land costs and land speculation, cutting out developers' fees, profits and margins, and providing an affordable alternative to the private speculative model of housing.

There is no shortage of available funds as they can be borrowed at historically low interest rates to fund the construction of housing that is affordable to buy and rent. It is clear from this budget that there is, however, a shortage of political will when it comes to breaking the costly and expensive model of subsidising private developers. The Social Democrats believe that now is the time for an ambitious programme of public housing so that everybody can have a place

to call home.

Deputy Richard Boyd Barrett: Faced with the really dire crisis produced by Covid-19, which is a health crisis, an economic crisis and a social crisis, we needed a budget that would support decisive action to defeat the threat of Covid-19 to public health and to support the workers, livelihoods and families most severely impacted as a result of the economic fallout of Covid-19. This budget has failed on both counts. The headline figures sound great but as soon as one looks into the detail it becomes clear that, despite significant increases in expenditure, the budget does not actually do what is necessary to deal with the threat of Covid-19.

The decision not to restore the pandemic unemployment payment, PUP, and the wage subsidy scheme, which the Government has cut, is nothing short of a disgrace. It is a very dangerous mistake as infection rates rise and as tens or hundreds of thousands of people once again face potentially losing their employment and jobs if further restrictions are imposed. It seriously undermines the collective social solidarity that we need to deal with the threat of Covid-19. It was bad enough that people had to endure months of hardship, lost income and unemployment as a result of public health restrictions on a payment of €350, but to expect those whose particular jobs mean that their incomes are on the floor or their employment has ceased altogether, to continue through the crisis, along with others who may join them as a result of further health restrictions, in an even worse financial position is unacceptable and disgraceful. How are people supposed to pay rent, mortgage payments or bills if their income is slashed or their opportunities for employment massively reduced?

I have mentioned people in particular sectors, such as taxi drivers, musicians, those who work in the arts and events sector, *ad nauseam*. Such people who were getting the PUP, which has now been cut, have no prospect of returning to work at any time in the future or of their sectors fully recovering as long as the pandemic is with us. They will have to continue on while getting reduced payments.

While there is talk of an income subsidy, which such people may be able to receive while earning other income, there is a problem. The first is that people are on different levels of payment. Some are on €200, others are on €250 and others are on €300. There will be a cap of €120 on how much such people can earn in a week and it is not clear whether those who reach that cap will lose their entire payment. In any event, there is virtually no work out there and these people will actually have to survive on these reduced payments. On top of that, they will now have to pay additional vehicle registration tax if their vehicles are old, additional car tax and additional fuel costs as a result of the decision to increase the carbon tax. These are all regressive taxes which further increase the economic financial pressure on people who have already had their incomes and employment devastated. I put it to the Government that it is cruel and unfair to do that to the people who have been hardest hit by the pandemic. It is also a dangerous undermining of the principle of all of us being in this together and the social solidarity that we need to address the Covid-19 threat. That is even more the case when we are likely to face more restrictions in the weeks to come.

I turn now to the disgraceful decision to lift the mortgage moratorium and the ban on evictions. If it was not justified to have banks crawling all over the backs of people who had lost their jobs and incomes in March and April, how is it justified to do that now, when many of those people are in the same, or even a worse, financial position than they were a few months ago? How could it possibly be justified to make people homeless? It is unconscionable. The public health threat is now very close to being every bit as bad as it was in March and April,

and it is heading in a very negative direction. How can it be justified, therefore, in any shape or form, to allow people to be made homeless by landlords? It is absolutely unacceptable. The Government should immediately reinstate the mortgage moratorium and the ban on evictions, and guarantee that nobody will be made homeless during the pandemic, although of course nobody should face homelessness at any time in any society that calls itself civilised.

Moving on to address the housing measures in the budget, the headline figures sound impressive. Then we compare what the Government is promising now with what was in the Rebuilding Ireland plan of the former Minister for Housing, Planning and Local Government, Deputy Eoghan Murphy. Lo and behold, we find that it is the same plan and nothing has really changed. The budget statement, in the fine print beyond the headlines, states that there will be an extra 15,000 housing assistance payment, HAP, tenancies and 800 rental accommodation scheme, RAS, tenancies. That will bring us up to a total of 85,000 HAP and RAS tenancies by the end of the year, which will cost us €2.4 billion. That money is going straight into the pockets of private landlords for housing that is not secure and which is crucifying in respect of the cost to taxpayers and the public coffers.

Those landlords can pull out of those HAP and RAS tenancies at any time, as they often do, which will result in plunging those families, in so-called “social housing”, into homeless situations. Many of the people in emergency accommodation now are people who have been put out of HAP and RAS tenancies repeatedly because of landlords pulling out of those deals. That figure of 85,000 HAP and RAS tenancies, and the extraordinary and shocking figure of €2.4 billion in costs, is exactly the same figure that was in the original Rebuilding Ireland plan. In other words, we are continuing with the failed policies of relying on private landlords to deliver housing instead of the direct construction of public housing.

There is also some incredible spin here. People doing their mathematics can work out one aspect very quickly. In the budget statement, we read that €500 million is going to deliver 9,500 newly-constructed units, which works out at €52,000 per housing unit. It is not possible to build a house of any description for €52,000. What does that figure mean, therefore? It means we are not getting 9,500 units, which has been generally the case because none of these targets has ever been met. Instead, this is linked to the recommitment to the Land Development Agency, LDA. Its whole *modus operandi* is to essentially privatise public land or involve private finance in the delivery of social housing on public land, where a great deal of that land is given over to the private sector to profiteer from public housing. That is worrying.

We go on then to the critical issue of healthcare. We again see eye-watering figures on one level regarding increased expenditure. Then we look at the details, and we can see that there are 280 intensive care unit, ICU, beds now, which are perilously close to being overrun if the infection rates of Covid-19 continue to increase. That total is, by the way, less than the 350 ICU beds in surge capacity we had in April, when our ICUs were largely overrun, but in this plan we are planning to go up to only 320 beds in permanent capacity. That is, however, much less than the 560 ICU beds the HSE told us we needed in 2009, before the onset of Covid-19. We are far short, therefore, of having the ICU capacity we need to deal with any significant surge in Covid-19 cases, a surge we will almost certainly face in the months to come.

In the winter plan, we continue to have €58 million going to the private hospitals to rent, essentially, private healthcare capacity at extortionate costs. If we are really going to deal with this crisis, however, there should be no question of there being a two-tier health system or any private health provider profiteering from the situation. We should instead be taking the capac-

ity of those private hospitals directly into public control so that we have a single-tier, integrated health response to Covid-19. If we drive down the virus as we need to do, to get back to some sort of normality, it will be crucial that we have a testing and tracing regime able to control the situation and to keep us ahead of the virus. That would mean moving way beyond the 100,000 tests we are doing now and up to about 200,000, and resourcing that capacity, and having a tracing regime in place that works and that is properly staffed.

I will give a shocker of a statement now. We got figures from Mr. Paul Reid at a leaders' briefing recently regarding the permanent recruitment of tracers into the HSE to replace those who had been seconded in. I then got an email later from someone who has just been recruited into one of these new positions as a tracer. What sort of contract is being offered? Unbelievably, those new recruits, who are going to be our tracers, are getting zero-hour contracts. They have no guarantee of the hours they will work, they will not get hours unless they are needed and they will get no sick pay, but will be put on the PUP payment if they get sick from Covid-19. That is absolutely disgraceful, and that is the way we are treating the people we urgently need to recruit into the testing regime we require to deal with Covid-19. That is outrageous.

Spending in the area of mental healthcare has a figure of €38 million given for extra funding, at a time when people are going through a terrible time in respect of their mental health. That amount might sound good on paper, until we discover that if we added that amount to the entire budget the actual proportion of the health budget to be spent on mental health will be less, in percentage terms, in 2021 than it was in 2020. That is also, of course, against a background of where we spend only 5% of our health budget on mental healthcare, as opposed to an average across Europe of about 12%. That is what we need to deal properly with the mental health problems people face and to provide the necessary supports and resources. That is even more the case in this situation, where we are facing the ongoing impact of Covid-19.

I will mention some other aspects of the budget. There seems to be a significant drop in the allocation going to Department of Business, Enterprise and Innovation when we look at the Estimates, and that is particularly worrying when we think about the grants needed for lone traders, the self-employed and the SMEs. They are still not getting the grant support they need to sustain them through the current crisis. I refer to the cost of rents, insurance and all the other overheads faced by small lone traders, such as taxi drivers, musicians, arts workers and many others. Those people have ongoing costs, but little to no income coming in and we have not got significant grant support for them. I would also like it noted that the community development budget has dropped by 16% compared to 2020, which is incredible when we consider we need more support for communities in the face of the impact of Covid-19.

The current expenditure for higher education had been also reduced by about 14%, which seems amazing. I do not even understand how that is the case after looking at the Estimates. This failure to restore the PUP and the wage subsidy scheme and to provide grant supports to the particular sectors that desperately need them contrasts with the continued handout of Government money to the pampered sections of Irish society, mostly in the form of enormous tax reliefs, which is barely spoken about. That is the outrageous thing. We all knew there had to be significant increases in spending in order to deal with the current crisis and the Government has made the decision to finance that through borrowing. Let us be absolutely clear. Faced with the need to spend, I would rather borrow than not spend, but it has been suggested that there are no alternatives to borrowing money, which ordinary working people in this country will ultimately have to pay back. We remember the bitter price we paid for that in the past. There is an alternative, which is to look at the enormous wealth and profits being made by a tiny, pampered and

super-wealthy minority in this country.

The latest profit figures for the corporate sector in this country show €180 billion in profits, and corporations are only paying about 5% tax, not the 12.5% they should be paying. If we just brought that up to 12.5%, which would still be one of the lowest levels of corporation tax anywhere in the western world or even the world, we would get around an extra €10 billion and they would still be paying an incredibly low level of tax. That would save us having to borrow money while redistributing some of that profit. Some of these sectors have done extraordinarily well during the pandemic, most notably the pharmaceutical sector and those involved in medical equipment. Some of the big IT companies have made super profits over the course of the last year. Surely it would be fair to get them to make a fair contribution to the tax system to show the social solidarity which underpins the supposed principle of us all being in this together. The truth is that some are making super profits while others, who have lost their jobs and employment through no fault of their own, are on their knees financially and are facing a very uncertain and difficult future.

Similarly, the Government could look at tax reliefs like carrying losses forward, which allows banks to essentially write off all their profits against tax for the foreseeable future. These tax reliefs should be ended and the money redirected towards ordinary working families, particularly those who are struggling as a result of the Covid-19 crisis.

The Government could also have looked at a number of other potential areas. Those who have benefited from property development and land speculation, which was fuelled by Government policy, could and should have idle site and vacant property taxes imposed on them in order to address the scandal of land hoarding and empty properties lying around in every town and city in this country. These properties could be used to provide desperately needed housing for people who need it, but also to provide the sort of emergency capacity we need in our massively overcrowded schools. The Minister is crowing because he is going to reduce the ratio of students to staff in our schools by one, but we have the most overcrowded classrooms in western Europe, which makes those classrooms and the teachers who work in them far more vulnerable to Covid-19 infection. We should be aiming for a staff to student ratio like that of Denmark, which is not 1:25 but 1:10, and we should be making the necessary investment through the recruitment of teachers to reduce class sizes.

Deputy Paul Murphy: I wish to draw attention to something the Ceann Comhairle mentioned at the start of today's debate. He asked all Deputies not to distribute the contents of the budget before the budget speeches were completed. We were not permitted to take the documents out of the room, but the Tánaiste did just that. Before the Minister for Public Expenditure and Reform had even stood up to deliver his speech, the Tánaiste had tweeted out large parts of the budget which was contained in the speech that was yet to be given. Perhaps he could not contain his enthusiasm for another Fine Gael Thatcherite budget but I understand that Phil Hogan was previously forced to resign over leaking the details of a budget. Will there be any consequences for the Tánaiste?

The framing of this budget by sections of the media as some sort of giveaway budget is entirely false. It is nothing of the sort. This budget does nothing for working people. It makes people's lives harder with eco-austerity measures while providing giveaways for the rich. This budget learns no lessons from the coronavirus crisis. It pays lip service to the impending climate catastrophe but effectively does nothing to address it. There is a reduced PUP and a Scrooge-like refusal to give a Christmas bonus to those recently on the PUP through no fault of

their own. Shame on the Government Deputies, particularly those who pretended to be against these cuts but who will vote them through again like they did last week. There is an increase in the carbon tax, which will hit the most vulnerable the hardest, and an increase in motor tax on old, polluting cars for workers who cannot afford a new car and cannot access public transport. There is a rise of less than 1% in the minimum wage, to a miserable €10.20 an hour for those workers who kept society and the economy moving over the past six months and who were rewarded with a clap on a Thursday night. There is not an extra cent or euro for young people on social welfare, for the core rates of social welfare or for those on the State pension. There is nothing for renters, no ban on evictions and no rent control. There is almost nothing for youth services, which are so important at this time. There is a miserly €2 - one coin - increase in the qualified child payment for under-12s. It is incredible and outrageous to freeze investment in childcare right now, in spite of the crisis which pre-existed Covid and became exposed and worse as a result of it. A completely inadequate €80 million is provided for retrofitting our schools when one quarter of them do not have hot water and 80% do not have the ventilation they need.

There is an air of unreality to the Ministers' speeches about the kind of society in which we are living and the kind of conditions people are facing. I spent some of my day yesterday with a young mother who was waiting for her landlord to come and attempt to evict her illegally. Thanks to the community support she got, the landlord never dared to turn up because he knew she would have been protected by her community who rallied around her. As reported in the papers today, John Johnson and his three sons were not so lucky. They were evicted from their family home of 60 years by a vulture fund on Saturday and the family spent the weekend sleeping out under a bridge. John lost his job in a bar and had his PUP of €350 cut. What is in the budget for them? What giveaway is there for them to ensure we are not faced with similar shocking stories in the next days and weeks? The PUP of €350 is not being restored, evictions are not being stopped and there is no plan to build the 100,000 social houses we actually need to clear the waiting lists.

The reality is that the Government is doing the bare minimum it can get away with. There is no plan here to address the massive inequalities in our society, to fund a zero-Covid strategy or to deal with the climate catastrophe we are facing. In fact, the hiking of the carbon tax will make it more difficult for John and other families like his to get by. The Government is just forcing working people to pay yet another tax to live in a system over which they have no control. By locking the carbon taxes in from now until 2030, the Government is trying to achieve a situation by 2030 where the extra carbon tax on a tank of heating oil for a family will be €250. That might seem like nothing for someone on a ministerial salary, but for many people in this country, that is a large amount of money. All of the evidence demonstrates that it will not have any serious impact in reducing carbon emissions. In Norway, for example, a carbon tax reduced onshore carbon emissions by only 2%.

It is a very different budget for those at the top of society, who Fianna Fáil and Fine Gael represent. There is a continuation of the help-to-buy scheme, which is not at all about helping people to buy or get access to their first home. It is about helping developers to profit while maintaining high prices, which keeps other people from being able to access the homes that they need. The residential development stamp duty measure is another measure for developers and the friends of Fianna Fáil and Fine Gael. There is a continuation of the SARP tax relief for some of the highest earners - those on between €75,000 and €500,000 a year - who work for multinationals. It is a special tax relief for them. There is a continuation of the corporate

tax haven status of this State, with legalised tax avoidance by multinational corporations and measures such as the knowledge box, which has been extended yet again in this budget. It means that those corporations pay an average of less than 6% of tax on their profits each year, with many paying much less than that, as we have seen. This is a budget to entrench the deep inequalities in our society and it does nothing to fix the vulnerabilities which have been so brutally exposed by the coronavirus.

The underinvestment in public healthcare while private healthcare is promoted over decades is the reason that today we have the third lower number of ICU beds *per capita* in the OECD. There have been decades of underinvestment and pushing a two-tier model. With this budget, we have been promised an extra 66 new ICU beds. There is no firm commitment to reduce hospital waiting lists. Instead, we have continued outsourcing, privatisation and leasing of private hospitals so that they can profit further when we should be nationalising the private hospitals and building a national health service.

We have the lowest level of investment in education in the OECD, which means that we have the highest pupil-teacher ratio. We see the consequences of that now, with crowded classrooms and inadequate facilities in our schools. The Government says we will go from 26:1 to 25:1. What difference will that make for a crowded classroom?

The continuing housing crisis exposes the consequences of effectively stopping the building of public housing and, in this budget, funnelling more than €2 billion into the pockets of private landlords rather than building public housing. This budget does nothing to challenge any of those issues because it is committed to remaining within the framework of Thatcherism where the market rules and where it is unthinkable, as the Tánaiste, Deputy Varadkar, suggested in his tweet the other day, to tax the rich or the big corporations, where basic public services can be better provided by the private sector.

A zero-Covid strategy should be at the heart of the budget this year. Even in the last week, we have seen the Government reject public health advice because it is committed to short-term private profit at the expense of public health today and the longer-term interests of our society and economy. Instead of the roundabout of lockdown, partial reopening and lockdown again, we should pursue a strategy, driven by public health, to eliminate community transmission of the virus. That means investing in testing and tracing, doubling our testing capacity, investing in community public health schemes and investing in an additional 300 ICU beds to have the capacity that we need, not the 66 that the Government promises us. It means building a proper national health service. It means full sick pay for all, which the Government does nothing about in this budget. It means giving people the capacity to do what is necessary, by restoring the pandemic unemployment payment and by banning evictions and rent increases.

The same applies to tackling the climate crisis. Addressing the Covid crisis actually coincides with taking the measures we really need to tackle the climate crisis. What we have from the Government is the same neoliberal approach which permeates everything it does. Look at the section on climate change in the speech given by the Minister, Deputy Donohoe. The Government pats itself on the back for the climate action Bill, which is nowhere near adequate and has a punchline of a target of pursuing zero carbon emissions by 2050. It is nowhere near enough. It is far too late. An advanced country such as Ireland has to target net zero carbon emissions by 2030. The budget has the carbon tax which is simply eco-austerity. We need a socialist green new deal based on public investment, public ownership and democratic planning. We need investment in free, green and frequent public transport, sustainable agriculture

and renewable energy. We need investment in green jobs, including care jobs, and in building a national childcare service, a national health service and a properly funded education system. We need a four-day week or a 30-hour week without loss of pay. We need public ownership of key polluting sectors and democratic planning to transition in a rapid and just way to net zero carbon.

I will demonstrate how that coincides with Covid by taking the example of public transport. Right now, we need to double the number of buses, Luasanna and trains that we have on the road and the tracks. This is needed so that people can socially distance while they are on public transport. We also need that in the medium to long term as part of a strategy to provide free, green and frequent public transport, so that people can get out of their cars and so that the sector with the second most emissions in Ireland, which is transport, can have its emissions substantially reduced. The same applies to retrofitting. People will be asked to spend more time at home. There is almost nothing here from the Government about retrofitting. We have the highest household energy use in the entire European Union and we need a substantial retrofitting plan to be rolled out. The same applies to investment in renewable energy, healthcare and education.

The Government will make a point about where the wealth will come from. We are heading into an enormous economic crisis, the second such crisis in just over a decade. Just like with the last crisis, there will be a blunt question of who will pay. Will it be the rich and the big corporations or will it be working-class people? Will we have another decade of austerity, cuts to public services, an extra tax burden on working people and all its consequences, including rising deprivation, poverty and mental health crises?

It is worth noting that while people worldwide have experienced significant cuts to their income and dislocation of their lives, the enormous wealth in our societies has not simply disappeared. Billionaires worldwide increased their wealth from April to July by over 27%, with a total wealth of over \$10 trillion. They got richer by betting on the stock exchange while workers around the world were thrown out of their jobs. The same is the case in Ireland. Take the example of Larry Goodman. He profits every which way. He profited from the meat factories while the virus ran rampant through them and the Government turned a blind eye. He profits from the deal the State made to rent the private hospitals, the details of which have still not been published, despite repeated attempts to get them. He even profits from the renting of the building that the Department of Health sits in.

Total household wealth in Ireland is almost €800 billion. It has increased by more than €170 billion in the last five years. The top 10% control over 50% of it. The top 1% control 15% of it. Corporate profits have exploded. There are many more statistics that could be given. The point is that the rich are extremely rich and are getting richer. Instead of this budget, we should be implementing a Covid tax on the richest in our society. There is a Europe-wide campaign to do just that, containing four emergency taxes. Applying those to the Irish economy, the amount of money that could be raised is astounding. A 3% tax on corporate profits exceeding €5 billion would raise over €2 billion. That is €2 billion that could be raised easily without touching the income of a single worker or a small or medium business. A 3% wealth tax on the richest 1% of people in Ireland would raise €3.6 billion. A 1% tax on the assets of investment funds and holding companies, excluding pension funds, would raise €22 billion. Finally, increasing the tax on transfers of assets, excluding shares and residential property, would raise €600 million. That is a total of more than €28 billion, which is enough money to really transform or begin the process of transforming our economy and society. It is the kind of money that could be invested

in a green new deal with socialist policies.

These are dark and depressing times for many throughout the country. Ordinary people need to see there is a light at the end of the tunnel and not only can we defeat this virus but we can build a better society, where everybody has the right to a home without breaking the bank, there would be an Irish national health service for when it is required and there would be truly free quality education from preschool to university and a living wage for all. This pandemic has highlighted all the inequalities in our society and the problems in our public services. Decades of underfunding have left our health services hanging by a thread and our classrooms among the most overcrowded in Europe.

This should be a wake-up call that we cannot go on this way and there must no going back to the neoliberal model. Instead, we must take on the super-rich tax avoiders, challenge the rack-renting landlords and tackle the big business polluters. We need a socialist economy where the major wealth and resources are in public instead of private hands and are planned democratically to meet the needs of people and our planet. Of course, this Government refuses to do that. It represents those who benefit from this system. The Government is failing to provide people with a real hope for the future or a vision of how we can crush Covid-19 and rebuild better. For that we are going to need a left Government with socialist policies and mass mobilisation from below.

An Ceann Comhairle: Before the Deputy concludes, I should say that he made reference in his contribution to Mr. Goodman, and there have been many references to Mr. Goodman in this House over many years. Nothing he said was new to us, but I remind the Deputy and the House in general that it is completely at variance with Standing Orders and the standards we hope to implement here to name anybody outside the House.

Deputy Mick Barry: There is no argument that this is a big budget, with €86 billion in overall expenditure, an increase of €4 billion in health spending and €19 billion in borrowing next year. Some of the spending is unnecessary, particularly on corporate welfare. There is fair amount of necessary spending that is not included in the budget, and housing is a big part of this. Most of the spending is completely necessary and justifiable but many workers will worry who will pay for all this. Many will wonder if Mr. Keynes is being welcomed in the door next year, will Mr. Friedman be knocking on the door in 2022 or 2023.

The spending splurge must be paid for by those who profited most from the Covid-19 crisis and who also happened to be those in society who are best able to afford to pay for this. These are the super-rich. UBS bank estimates that billionaires increased their wealth 27.5% globally between April and July at precisely the time when tens of millions of working people lost their jobs and were pushed into poverty. A 10% levy on the profits of the big pharmaceutical companies and private hospitals in this State would raise an extra €2 billion. A 1.5% on the richest 5% in this State, leaving aside the first €1 million, would raise €3.8 billion. Collecting corporation tax at an actual rate of 12.5% would raise a multiple of that amount as 34% of corporations pay zero tax in this State, with 32% paying less than €20,000, which is less than the income tax paid by some workers in this country. Collecting corporation tax at an actual rate of 12.5% could raise up to an extra €20 billion. The corporation tax rate on profits should not be 12.5% but it should be 25%. There is a vast amount of wealth there and no need for the working people to pay for this in two years through austerity, tax increases or cutbacks.

I will make a couple of points about youth unemployment as this will be an increasing issue

in our society. I want to raise some questions on the measures the Government has adopted in this regard. Taking the number of people under 25 who are officially unemployed and on the pandemic unemployment payment, we would come close to 100,000 people. The Government suggests tackling this through a programme of apprenticeships and training. I am all in favour of training but I am not in favour of so-called training that functions as a cover for exploitation and cheap labour. We need much more discussion on Skills Connect, which is something we will hear much more about in the next while.

There are 80,000 training places and internships in cybersecurity, software programming, medical technology, digital marketing and customer services etc. What will those young people be paid? An internship that provides 24 hours of work will see a young person paid €229. The jobseeker's allowance is €203, so is the Government saying that in return for 24 hours of work, a company must top up this pay by €26? This is €1.08 per hour, which is worse than the scandal we had in relatively recent years with JobBridge. We need decent training with decent pay and conditions and trade union rights. It looks with this proposal that the Government is aiming to go down a very different road.

Young people are a large cohort of the people in this State on minimum wage. The Government is proposing an increase of 10 cent per hour in the minimum wage, which amounts to less than 1%. Low-paid workers, many of them young, were among the heroes of the Covid-19 crisis and lockdown earlier this year. They did the retail and cleaning jobs, delivered pizzas and so on.

A group comes together to estimate what is known as the living wage every year. It is a decency threshold, a standard below which it is estimated it is not possible to have a decent life or standard of living in this country. The latest figure was €12.30. The Government is proposing that the lowest-paid workers in this country would live on more €2 per hour less than figure. It is a scandal. The minimum wage should be €15 per hour. I encourage low-paid and young workers to get organised and challenge the Government's low pay agenda.

I sat in court No. 3 of the High Court this morning and saw an injunction being granted to KPMG against ex-Debenhams workers. That injunction is a blow against the right to picket effectively. Those ex-Debenhams workers will not roll over but will carry on a campaign of effective picketing. As a result of this injunction, many of these people, who are overwhelmingly women, may find themselves in the days and weeks to come before the High Court and threatened with the prospect of the jailhouse.

These workers are very clear on the matter and lay the blame on this Government and at the door of the Fianna Fáil Party in particular and the Taoiseach, Deputy Micheál Martin. They rightly feel they have failed to seize the opportunities in recent months, particularly in the past month, to resolve this dispute. The budget represents another missed opportunity. The State could and should have set aside €10 million in budget 2021 to address the just demands of the workers. The Government could resile from the State's claim of €20 million and allow half of that to go to resolving this claim. It failed to do this and I fear we will see the consequences in the days and weeks to come.

I will make some brief final points to which I might return later. It is extraordinary that carbon tax is not only being increased to €7.50 per tonne; it is being written into legislation that it will be increased year-on-year from now until 2030. The carbon tax is a regressive tax. There is nothing progressive about it. We will return to this issue.

Finally, I note that one intensive care unit, ICU, bed was available in Cork University Hospital yesterday at 6.30 p.m. That was one of just 33 critical care beds available in the State. Does the Government honestly believe that increasing funding to allow the number of ICU beds to rise from 255 to 321 will adequately deal with the crisis this country and its health service are facing? It falls very far short. We will return to this issue very shortly.

Deputy Peadar Tóibín: We are faced with an absolutely unprecedented crisis in terms of health and the social, economic, political and psychological well-being of this country. Budget 2021 was announced as the European Central Bank, ECB, forecast the sharpest ever decline in the EU's GDP. A contraction of 10% is expected in 2020, with unprecedented job losses and damage to society and enterprises. It is nearly impossible to find the words to express the full extent of the crisis this country faces.

Never have there been so many uncertainties. Ireland is uniquely vulnerable in the short term. The potential for a second wave of Covid-19 and the immediacy of Brexit put us in a terrible position. One would imagine this is the time for a massively bold initiative that would have been unthinkable before. Aontú's principal goals for the 2021 budget were to protect life and health, protect the personally and economically vulnerable, promote and safeguard employment and scale up key public services to meet the onslaught of demand triggered by this crisis.

This Government is in a very strange place. In the previous debate we heard Solidarity-People Before Profit ask who is going to pay for this. It is the first time I have heard those Members ask that question in this kind of debate. This Government knew it was in a different situation. Its members knew that the rules did not apply to them on this occasion. The Government had the opportunity to tackle Covid-19 and Brexit in an enormous way. Never before have the fiscal hawks in society been so favourable towards spending. We had an opportunity which the State will probably never see again. This was an opportunity to tackle Brexit and Covid-19 and to reset our society. It was an opportunity for massive investment. A serious crisis can be a serious catalyst for great change.

Aontú is a socially responsible political movement. We wanted to see this budget tackle the issues of health, housing, transport, regional development and justice. However, we are also a fiscally responsible movement. We want to see citizens' money spent properly and efficiently. A deficit simply means taking money from the future to invest today. As such, it is of key importance that whatever investment we make today benefits tomorrow. How did the Government do on its first budget? I heard many words to the effect that low-paid individuals and younger people were among those most damaged by this crisis. However, low-income families have received very little. Pensioners, people on the Covid-19 pandemic unemployment payment, families renting homes, mortgage holders under pressure, parents with children in childcare, farmers and those living in regional and rural Ireland can simply move along. Budget 2021 is not for them.

I am amazed that the Government could not find a tenner for pensioners in an €18 billion budget increase. Pensioners are the people who are most vulnerable and exposed to the Covid-19 crisis. At a time of serious crisis for pensioners, this country could not find a tenner for them in an €18 billion investment. Changes to sick pay, while obviously an improvement, still leave Ireland as an outlier in Europe. The Covid-19 pandemic unemployment payment has remained untouched after its dramatic cut. Anyone looking for a totem of a two-tiered country will find it in the fact that this Government reduced the incomes of those on €18,000 and increased the incomes of those on €80,000, the opposite of what should be done.

This budget was also an opportunity for massive investment in our infrastructure. God knows that Ireland's infrastructure is in rag order. We have probably had more infrastructural depreciation than any other nation in Europe in the past 15 years because of the lack of investment. Ireland was second from the bottom in infrastructural spending for a decade. Only Romania beat us to the bottom. Out of an €18 billion increase, this budget includes an investment of €750 million. That is incredible. We will still be investing less than 3% of GDP. That is much less than we should be investing and far too little to do what we need done in this country. This is a mistake. Ireland needs Keynesian countercyclical investment. By doing this it can achieve obvious efficiencies. If we build houses for our citizens today, the State will get rent in the future. If we end Dublin's shocking record as one of the most congested cities in Europe we will enable business and investment in the future.

We need a balanced Ireland. Right now we have an overheating capital. A third of the country is a commuter belt serving Dublin. Many parts of regional and rural Ireland are being emptied of their young people. I have heard talk of a circuit breaker. Why not introduce a circuit breaker for the lopsided city-state development our island is undergoing? Yes, there is a few bob for rural schemes here and there in this budget, but that type of scheme is like social welfare for rural Ireland. Those schemes are enough to keep rural Ireland ticking over, but they are never enough for systemic change. They are enough for survival but not enough for vibrant regional balance. We have also seen the reheating of previously announced broadband funding and €10 million of investment in remote working hubs. That is €10 million for what was meant to be one of the big headline policies for the redevelopment of rural Ireland, allowing people to work from home safely and not have to commute for two or three hours each day.

Housing is also a real let-down. In 2016 the Joint Committee on Housing, Planning and Local Government found that we needed to build 10,000 houses a year in this country. After this budget, with its headline figure of €18 billion, the Government's ambition is still below that 2016 number. Indeed, if we take out reheated housing figures we are left with just 600 more true social housing units than were envisioned in the original 2021 targets. There has been no effort to reposition the economy with regard to vulture funds, towards which the UN has said the market is skewed. No effort has been made to reconfigure the vacant sites levy, which raised a mere €800,000 last year.

I am amazed by what has happened to North-South relations. Brexit and Covid-19 both highlight the importance of seamless North-South co-operation in flashing neon lights. Resistance to that all-Ireland co-operation has cost lives. I have listened to the Government articulate that view in recent times.

6 o'clock

However, there is nothing in the budget about funding, planning and delivering together. There is extra money for North-South projects and I welcome that, but if the two parts of the island continue to do business with their backs to each other, we will be looking at the damage caused by Brexit and Covid in front of us as well.

On the issue of strategy, there is no change in Government strategy in the budget. The Government Covid strategy is a yo-yo one involving going in and out of restrictions and lockdowns, which will radically reduce the ability of this country to function. It is based on an approach of waiting to see what will happen in the next 14 days. That must stop. The budget should have included a Covid-19 impact commission to study exactly the outcomes of the restrictions.

In my last few seconds, I note the €4 billion being allocated to health will simply allow us to maintain the *status quo* because capacity has been gutted massively in recent times.

Deputy Seán Canney: I am delighted to have an opportunity to speak on the budget, which I consider to be a wartime budget. It is a situation we never thought we would have to face. The level of spending is remarkable.

My first concern relates to the complete absence of a medium-term plan for the next five years. In essence, the State is working in the dark with no clear direction of travel. The programme for Government envisaged a fiscal strategy being produced with this budget, but that is not happening. Although Brexit and Covid-19 remain the urgent priorities, it is important to continue to prepare for the future and the regional development that all Deputies crave. The budget is spending big. It is a significant amount of money. However, I am concerned about whether the State is getting value for money in its spending. How will the outcomes be measured to ensure the State gets value for money, particularly in the area of health?

There is no doubt that the State needs to support people. The expenditure so far this year and that included in budget 2021 is on people, the economy and supporting businesses. There is a lot to be said for that, but the budget needs to be fair and effective. The travel situation has decimated airports and the regions are suffering accordingly. I welcome the funding provided in the budget for regional airports, but a proper strategy needs to be put in place to revitalise Shannon Airport and Ireland West Airport Knock and help to regenerate the regions. As all Members are aware, the north and west have been redesignated as areas in transition. They have been downgraded as a result of the lack of economic activity.

Rural pubs feel abandoned by the Government. That is what is stated on billboards all over County Galway. The pubs opened in September and closed in October. The restart grant will not help them going forward. They need continuous support that will keep the businesses alive and pay for standing costs.

Another issue which must be addressed is that of anomalies in the pandemic unemployment payment. People aged over 66 got no support, but those under 66 got €350 in the form of the Covid payment. However, the former were asked to maintain their businesses, such as pubs, and continue to pay their bills. I refer to the issue of arrears in Covid payments since last March which are being kicked further down the road. Those who are due arrears should be paid them.

Two groups that deliver services to communities and need recognition are school secretaries and community employment, CE, scheme supervisors. The Ministers, Deputies Donohoe and Michael McGrath, spoke about the unsung heroes in the Covid fight. School secretaries and CE scheme supervisors have played their part and it is time for this House to deliver for them. I ask the Ministers to initiate substantial talks with school secretaries to ensure the issues affecting them are put to bed, while the issues relating to CE scheme supervisors should be sorted out once and for all. I met a CE scheme supervisor who will retire on 5 January after approximately 40 years of service to his community. I would like to think that he will have something when he retires, rather than just being disregarded. These issues appeared in parties' political manifestos, but they need to be sorted out now.

Yesterday I met a professional Irish dancing teacher. Her profession is lost in this crisis. This issue has not been discussed by previous speakers. There are no financial supports available to her, but all Members are aware of the impact that Riverdance had worldwide and what

it brought to this country. It is great that funding is being made available to the music industry and the performing arts sector, but it needs to filter down to those who play music in pubs at the weekend or teach Irish dancing and give this country a significant amount of enjoyment and well-being.

I note that it was decided to increase the income threshold for medical card applicants over the age of 70 in the budget. I believe that measure was included in the budget last year but has not yet been implemented, which is a disgrace.

The situation with regard to post offices is getting worse. I do not know whether any provision has been made in the budget for dealing with it. It is a big problem that will face us in the coming months.

The carbon tax increase will have a greater negative effect on people in rural areas where there is no public transport available. They have no choice but to use a car. It is essential. There is no Just Transition for those people. It is unfair to impose additional costs on certain sectors of society during Covid-19. The increase is anti-rural and anti-farming and it comes at the wrong time.

I note the LEADER programme is getting an additional €4 million funding. As Members are aware, the programme is due to finish in December of this year. The next programme will not come into being until the Common Agricultural Policy is sorted out with the European Union. An allocation of €4 million will not keep the scheme going. It may pay wages, but it will not deliver funding to the communities that need it most. It is important that the Government considers this issue and puts a transition fund in place to keep the projects going through the next 12 months.

Before I left Tuam in County Galway this morning, I met three plumbers who were going to work. They asked me whether I was going to Dublin for the budget and I told them I was. They told me not to forget about them. It was not a joke. They are worried about the future and a possible further lockdown. I ask the Government to consider classifying the construction industry as an essential service to the economy because a lockdown would be disastrous for those plumbers. They all have mortgages and young families and a part to play in rebuilding Ireland.

In the context of the budget and the situation faced by the State, it is imperative that we seek to ensure there is balance in what is being done. We must ensure that it is possible to deliver on proposed capital expenditure and that we do not spend the money on preparing reports or doing studies rather than getting work done on the ground. Housing is a very serious issue. I am concerned at the low number of houses projected for 2021. It is not ambitious enough. It is important that, as a Dáil and the people who are responsible for providing these houses, we make sure we deliver them as quickly as possible. There is much discussion of serviced sites, but the one thing that needs to be done is for infrastructure to be put in place in towns and villages where it is required. The Minister, Deputy McGrath, addressed that matter in his budget speech. If the regions and rural areas are to grow, we must ensure they have the necessary infrastructure. Right now, there are difficulties building a house with a septic tank or as a result of the lack of municipal treatment plants. That is the reality. I refer to affordable housing and such matters, which are very important. We need to do our business differently, better and faster in order to deliver results.

Deputy Verona Murphy: As a matter of integrity, we are locked in here to protect the

integrity of this budget process on budget day. What is the point of having these procedures in place if the Minister or his officials leak almost all of the budget to the media in advance? It is a cynical exercise by those in power to curry favour with their friends in the press which undermines the political process.

There is one underlying problem with this budget which is highlighted in all its pages. That problem is simple. The Government is currently in the business of crisis management rather than crisis prevention. The Government is letting crisis after crisis evolve and develop, irrespective of the consequences, and then wants to be looked upon as the heroes for trying to sort out the mess. To deal with the consequences of these crisis, the Government is throwing billions of euro at these crises to try and resolve them, money taken from the pockets of each and every citizen, and to fight fires which have been fuelled by bad Government decisions. These crises are many in number.

There is a crisis in housing. Housing supply has been in crisis for the past nine years. A major contributor to that crisis in rural areas is the crazy minimum density issue. An Bord Pleanála is currently implementing policies which do not exist by insisting that housing developments contain 35 dwellings per hectare even though there is no regulation which orders this. The housing Department and the Minister have failed to address this. Addressing it would assist in housing supply at no cost. I welcome the increased incentives for first-time buyers but these incentive schemes are useless to buyers unless the supply of housing is adequate and this starts by amending ministerial guidelines.

There is a crisis in the hospitality and tourism sector. This has been primarily caused by Government actions. We can blame Covid-19 all we like but it was not the virus which caused these problems. It was the way in which Government responded to the virus. Twice in 2020 the Government forced most of this sector to close at 24 hours' notice. This Government's choices have left thousands of businesses in tatters and hundreds of thousands relying on the PUP. As Milton Friedman once said, "The government solution to a problem is usually as bad as the problem and very often makes the problem worse." An example of this is the ill-thought-out changes to the temporary wage subsidy scheme, TWSS, and moving to the employment wage subsidy scheme, EWSS. This is closing businesses down. I have misgivings about the Government's approach to dealing with the virus, particularly the practice of opening and closing large sectors of the economy every few weeks. This is unsustainable and has impacted particularly heavily on the tourism and hospitality sector. The reality is that the VAT reduction announced today will not benefit a hospitality sector that is currently closed.

There is a crisis in health. We wasted millions of euro renting private hospital capacity rather than using the money to bring our public hospitals' capacity up to scratch. This is not a problem which arrived with Covid. Hospital capacity in the public system has been an issue for years. Every year, on budget day, we hear headline figures of so many billions of euro of an increase for the HSE. Throwing money at the HSE over many years does not seem to be resolving our fundamental capacity issues. We are in the second wave of Covid and have no tracing capacity or capability. This is a logistics function that should have been easily resolved. Why has it not happened? Poor contact tracing means our hospitals will fill with Covid patients.

There is a crisis in mental health. The focus here should have been on early intervention but, instead, we are at emergency treatment. It is, again, crisis management rather than crisis prevention. Only in recent weeks, the Government failed to provide a child psychologist for the children of Wexford when the only applicant was met with a human resources, HR, obstacle

and has since taken a job elsewhere.

There is a crisis in disability services. The lack of funding and lack of planning is leaving our most vulnerable to cope at home and without day services or transportation to reach appointments. Families of people with severe disabilities are being told that services are being cut because of social distancing. Are we losing all sense of perspective? Surely proper care of the most vulnerable should take priority.

There is a crisis in transport. Failure to prepare ahead for 1 January with fast, efficient daily direct ferry services from Rosslare to mainland Europe will cause supply chains to collapse. We need immediate investment here to increase capacity and to ensure our goods move freely to mainland Europe. We need measures to remove traffic from an under-productive and over congested Dublin Port by opening and operating ferry services from regional under utilised ports. Further expansion of Dublin Port will increase levels of congestion traffic which, in turn, will cause more emissions to be sent into the atmosphere in Dublin city. One should remember that every time a truck is caught behind a set of traffic lights or stopped in heavy city traffic one litre of fuel is wasted.

Failure to allow for the alleviation of VRT in the car rental sector will stunt the growth of tourism to the regions. Our ailing tourism attractions in Wexford, such as Hook Head, the Dunbrody Famine Ship in New Ross, the Heritage park, Enniscorthy Castle, Wells House and Gardens and all of our magnificent beaches from Ballymoney to Rosslare, all need tourists and cars to get them there. They have now been made more expensive. By increasing the carbon tax in this way, does the Government realise that it has almost instantly driven up the price of every product that is transported? That is an increase in the price of everything from toilet rolls and dishwashers to farm machinery. This Government has many ways in which it could manage and reduce carbon emissions in the sector. The transport sector has many ways in which it saves carbon but it is never incentivised or helped to do so. There appears to be no thinking outside the box. It seems to be too handy to slap on another few cent on the price of fuel every October.

There is a crisis in agriculture. All of the above have consequences for the agricultural sector and fishing sector. There are fewer options available for farmers or fishermen to sell their goods due to closures of hotels and restaurants. Everything has been made more expensive for this sector. Rather than increasing costs on those who are struggling, why are we not taking measures to decrease the cost?

Everything is linked, except, it seems, Government policies. In the time I have been in politics, policies appear to be decided upon by the vote-getting egos of Ministers, senior advisers and Departments with little or no regard for the needs of the people they represent. They mask their actions by advancing the notion that the policy they are implementing is for the greater good when the reality is it is whatever is most politically expedient.

We have a list of crises the length of the Minister's arm. I had not time to mention them all. We must move from a strategy of crisis management to the more useful strategy of crisis prevention because we cannot merely keep throwing good money after bad to manage crises that could have been prevented. Ministers, Secretaries General, assistant secretaries and political and policy advisers need to have a detailed knowledge of their brief. Crisis prevention starts here.

I was elected as an Independent Deputy for the Model county a mere eight and a half months

ago. It is my belief I should act responsibly in casting my vote here in this House. I will not play politics with emotive issues to satisfy a political narrative. This Government is in office four months now and it has been anything but smooth. Governments take time to settle in. We are about to face the most challenging and difficult circumstances economically and socially that the State has ever witnessed. We need stability. It is on that basis that I will support the budget today. My vote is on loan. The current approach being adopted by this Government must change if it wants to continue to rely on my support.

Deputy Cathal Berry: I thank both Ministers, Deputies Donohoe and Michael McGrath, for their positive engagement in the run-up to the budget. I valued their input and appreciated it.

I am conscious of the limited time I have available. I will focus exclusively on the security and defence aspects of Budget 2021. I have only five points to make. Three are quite positive and only two points at the end are areas in need of significant improvement.

The first point relates to An Garda Síochána. I welcome the increase in Garda numbers which are planned for next year. An extra 620 trainee gardaí plus a big investment in the vehicle fleet for An Garda Síochána should make a big difference throughout the country. Law and order is a massive issue in all parts of Ireland. We must invest so that people feel safe in their homes and communities. Garda infrastructure remains a big problem. Many of the barracks and Garda stations were built by the British more than 100 years ago. There must be investment for refurbishment and new builds throughout the country. Were I to identify one infrastructural project above all others, it is the need for a Garda Síochána museum. The centenary of the formation of An Garda Síochána is in 2022, in a little more than 18 months. It is incredible there is no national museum for An Garda Síochána, because its story is the story of Ireland itself. From the long list of recipients of the Scott Medal for bravery or the roll of honour for members who have been killed on active duty, we can appreciate and recognise that we need a permanent premises to honour their achievements and sacrifices. I look forward to progressing this project over the next 12 months.

Second, I am encouraged and reassured to see that the National Cyber Security Centre got a significant mention in the Department of Environment, Climate and Communications budget Estimates. It is a critical agency. I thank the Minister, Deputy Eamon Ryan, for his ongoing engagement on how we can bolster our defences in this area. It is an essential service and needs to be resourced in tools and talents. We cannot take any shortcuts. We have seen over the past six months what a biological virus can do to this country. Let us not wait and see what an electronic virus can do. This agency is essential. It is needed to protect and safeguard our critical national infrastructure such as our national grid, and our transport and health systems. I look forward to further budgetary progress in the next 12 months.

Third, I raise the issue of the defence budget. I welcome the improvement by €32 million in defence funding for 2021, which is about 3%. Will it solve all the problems in the Defence Forces? Of course not, but it continues a process of renewal that began over the summer. Nevertheless, the defence spend is still only 0.3% of GDP, which puts us at the very bottom of our EU partners. Incredibly, instead of investing in our own defence deterrent, we continue to freeload on the umbrella of security and defence provided by our EU partners. That will have to change. It is not all doom and gloom. The Minister for Defence, Deputy Coveney, has many projects in play. I look forward to him announcing the membership of the commission on the future of defence in the next two weeks, and I look forward to engaging with that body in the next 12 months to address the infrastructural and well-known problems in our armed forces.

We must be creative and imaginative in how we address defence spending. We should not look at it in a linear fashion exclusively. Why should all the funding come exclusively through the Department of Defence? We can be much more creative. For instance, why is it that the Department of Housing, Planning and Local Government cannot directly provide accommodation and housing services for our service families and personnel? Why can it not provide this facility in the Curragh Camp, for instance? There is no reason it cannot. The Office of Public Works builds infrastructure for An Garda Síochána. Why can it not use its budget to build defence infrastructure? The Defence Forces provide much physical support to the HSE, such as manning the Covid hub at Lansdowne Road. Why, therefore, can the health service not provide financial support to the Defence Forces? The village and town renewal scheme run by the Department for Rural and Community Development was a brilliant scheme to address dereliction. There is dereliction in military barracks throughout the country, and dereliction is dereliction whether inside or outside the barrack walls. That fund could be utilised and mobilised to address dereliction in Defence Force establishments. A new secondary school is needed in the Curragh Camp, which has two primary schools and a secondary school. Can the Department of Education and Skills use its allocation to provide the service? There is a new Department with responsibility for higher and further education, research, innovation and science. Why not funnel money from it either through Maynooth University or Carlow Institute of Technology into the military college at the Curragh camp? I cannot see why not. The military college is an institution in its own right with international students, and its affiliations with Maynooth University and Carlow Institute of Technology already make it a satellite campus in effect. We can we not be more creative about addressing the funding deficit in the Defence Forces?

Fourth, I raise the air-sea rescue contract. Some €60 million is allocated in next year's transport Estimates to provide the excellent service provided by the Irish Coast Guard, which is €5 million a month, which is really expensive. I understand that in the coming months, the Department of Transport will launch a tender for another ten-year contract for a private company to come in and fly helicopters for the Coast Guard. It seems incredible that approximately €700 million will be spent over ten years, given to a private international contractor to provide this service. I believe our Coast Guard service should be a sovereign service. I see no reason there could not be investment in the Air Corps to provide this service. Imagine what spending €500 million or much less in the Air Corps would do to its capability and sense of purpose? We should definitely look at that.

I am very mindful of the backdrop to the budget. There are three major threats here or on the horizon: the pandemic, the associated synchronised global recession and then the spectre of a hard Brexit just around the corner. I agree with my colleague, Deputy Canney, that this is a wartime Government and, by extension, this is a wartime budget. Despite all its imperfections and shortcomings, I will support it on that basis.

Deputy Denis Naughten: While budget 2021 looks to the combined challenges of Brexit, Covid and housing, it fails to bring about structural change to our economy to make it more sustainable for all sectors of our economy. We are spending €3,600 for every man, woman and child in Ireland but I do not get the impression that this money is being spent any differently from the money spent last year or the years before that.

This was the opportunity in a generation to reform how we work and live in this country but today we did not take it. While budget 2021 talks about an interdepartmental group to consider remote working, a similar announcement was made last year to look at hot desking of vacant desks in public buildings throughout the country for civil servants who were commuting

into Dublin. We have seen no movement on that initiative 12 months later. There is no new provision for funding for the national broadband plan. In fact, the spending announced today was spending that I secured as Minister for Communications, Climate Action and Environment some years ago. As a result, disappointingly, there is no indication of a fast-tracking of the delivery of the national broadband plan to isolated rural homes as promised in the programme for Government.

Budget 2021 also talks about a recovery fund but there is little detail of what it will do to reform our economy to live with Covid-19, to allow more people to work and study remotely, or to support new ways of doing business. While I welcome today's announcement of the shared island initiative, which I hope will build co-operation across the island and develop key cross-Border projects, it must include the development of the Beara-Breifne Way, which currently runs from the Beara Peninsula in west Cork to Blacklion in County Cavan. The way needs to continue from there along the Ulster Way to the Glens of Antrim, completing the Ulster Way and ensuring that the route, which would be Ireland's answer to the Camino, is marketed in a similar way to the Wild Atlantic Way.

While the investment in housing announced today is welcome, it will not deliver in the short term. As a short-term measure, we need to encourage families living in our cities to give up their homes and relocate to rural towns and villages, to streets that have not seen a football kicked on them in a generation, while helping to ease pressure in our cities. I propose that we provide a €15,000 grant to first-time buyers purchasing an existing property in a town or village with a significant residential vacancy rate. The Department of Housing, Planning and Local Government is providing a subsidy of €30,174 on average to provide a new serviced site in the city of Dublin. For every family that takes up this offer, gives up a house in Dublin and relocates to a part of the country that has been decimated by depopulation, it would save the State more than €15,700.

There is no doubt that the funding secured for the health and disability budget is welcome, but it is vital that it be converted into the delivery of services for those who need them. For example, the 5 million additional home help hours are very welcome. In the past, however, home help hours provided for in various budgets have not been delivered on the ground. Home carers have had a challenging year because of isolation and a reduction in available home help as well as family help thanks to cocooning and Covid-19 restrictions. Some 60% of intellectual disability centres are yet to reopen. In terms of the carer's support grant, giving just €25, or less than 50 cent per week, over and above what is being given to ordinary taxpayers under the stay-and-spend scheme is not an adequate acknowledgement of the work that carers are doing across the country, in particular full-time carers.

Although I welcome that funding is being provided to address the impact of Covid-19 across various sectors of the economy, the fear is that it will not prepare any of them for the new reality post Covid and post Brexit.

I have suggested that we establish a pilot microgeneration scheme on farms. Down the years, the Government has subsidised the upgrading of the electricity network to farms. That should be used to allow farmers who have large amounts of roof space on isolated sites that are suitable for the deployment of renewable energy to generate electricity for their neighbours. Such a pilot initiative in the agricultural sector would be an ideal way of identifying challenges in microgeneration in advance of implementing the commitments that I signed Ireland up to under the EU renewable energy directive.

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I welcome the pilot environmental programme in agriculture, for which €20 million has been set aside. If Deputies will recall, however, the Minister for Finance, Deputy Donohoe, announced €3 million for a similar scheme 12 months ago. Not one cent of that has been drawn down. It is imperative that any environmental scheme that is put in place be utilised. It is also imperative that we develop environmental schemes that are farmer focused and farmer designed and deliver benefits to rural communities across the country.

I am disappointed that the Government did not take a suggestion that we proposed, namely, a suckler cow environmental scheme that paid €200 per cow for up to 20 cows to sustain and support suckler beef production. This would have been based on the innovative smart farming initiative of a number of years ago that involved the Environmental Protection Agency, Teagasc and the IFA and that I supported as Minister.

I will work with the Government to ensure the funds that are made available are utilised to achieve the goals it has set out, but I am concerned that budget 2021 is just tinkering around the edges instead of providing the type of real reform that could bring life back to rural communities, regional Ireland and our towns and villages while also responding to the challenges of Covid-19 and Brexit.

An Leas-Cheann Comhairle: There are five Deputies to speak in the Rural Independent Group slot, beginning with Deputy Mattie McGrath, who will have ten minutes.

Deputy Mattie McGrath: Seisear.

An Leas-Cheann Comhairle: I beg your pardon.

Deputy Mattie McGrath: The budget is a missed opportunity in the main. While there are some nice bits and pieces to keep certain sectors happy for the moment, it is a missed opportunity in this time of severe crisis due to the pandemic to deal with wastage and how money announced for various sectors does not percolate down to the ordinary person on the street.

The announcement of the new Covid restrictions support scheme of up to €5,000 per week for businesses impacted by level 3 or higher Covid-19 restrictions is welcome. It is certainly needed by the industry. Budget 2021 also provides a support scheme of €55 million for the tourism sector, but that industry has been decimated and this support is coming late. The €55 million will do little or nothing for the tourism industry, which is very important for all of our counties, including Dublin. Dublin is ina stad. It is at a standstill.

The decision on the commercial rates waiver is welcome. It will be extended to the end of the year and beyond and is badly needed. Measures like it are lifelines. The decision is also welcomed by struggling businesses, which have a dreadful fear that such supports may have to be extended even further. They may need to be. Living from month to month or three months to three months is not good enough.

It has been decided to allow those in receipt of the PUP to earn up to €480 per month or €120 per week for casual work, but it is not “casual” work. A self-employed person, such as a plumber or electrician, who is doing vital work for the Leas-Cheann Comhairle or me needs to be able to look after us in these times while also receiving the PUP. Otherwise, that person might lose us as customers. People have to keep their businesses viable. As such, it is vital that they be allowed to earn money. That said, €480 is restrictive in light of plumbers’ call-out fees. I say “plumbers”, but it could be road builders, electricians or anyone else. It is important that

we keep such people active and ready to go for when they are wanted.

The VAT cut is too little and too late. Dropping from 13.5% to 9% is a wasted exercise. Those businesses are closed in the current lockdown, and there will be more lockdowns if the powers that be in NPHET get their way. According to a paper by Dr. David Nabarro of the World Health Organization, lockdowns around the world have not worked and they are not the way to go. I put that to Dr. Holohan, the Taoiseach and others yesterday. We have conflicting messages. The problem is that while I respect the qualifications of these scientists and doctors, business representatives are not involved in NPHET and neither is the Garda Síochána, which has to try to handle the situations that arise. A representative of self-employed people is not involved. We need input from a wide variety of people. There are 40 members of NPHET and there is plenty of room there to have a good mixture. Above all, the team needs to be reshuffled. That is not to demonise any of the current members, but we need to understand the full impact of the lockdowns.

I welcome the money provided for disability services but my concern is whether that money will percolate down to where it is needed - the centres that have been closed and the people who are usually brought on the bus to school or to the services they need. Some of them have been locked away for almost nine months, they have regressed enormously and their families are suffering. The money being given is welcome but it is too little and too late.

An extra €38 million is being given to mental health services but anybody with a modicum of reason who has assessed this area knows that an investment of up to €100 million is needed. In my own county of Tipperary, we do not have a single long-stay mental health bed, even though we have been fighting for better provision since the introduction of A Vision for Change. It turned out to be a vision for disaster because the long-stay beds in St. Michael's mental health unit in Clonmel were closed. Now we are told that €2.1 million will be allocated under Covid measures but we still will not have a single mental health long-stay or short-stay bed. We are waiting for the past year for a new crisis house project to go to tender. People have suffered enormously during the pandemic and now that we are going into the winter, with its short days and long nights, there will be a greater need for mental health services. The situation is awful and I will continue to push for extra funding. I will keep raising the issue in the House until we get some modicum of decent service for the people suffering with mental health and psychological issues. Many people are suffering with a bit of depression in the current situation because of the lack of work, stimulation, money and everything else.

I welcome the provision for the arts but again I wonder whether that money will percolate down to where it is needed. The Arts Council will get a big chunk of it, as it always does, but will any of it go to the scoileanna rince, for example, whose activities have been totally stopped, or to the musicians and other people who entertain us in bars and keep us all going? This is the problem with bodies that are set up, some of which are quangos. The Arts Council does a lot of good work but the money must go to where it is needed, which is into the pockets of the people we need to revitalise our economy and pass on their talents, abilities and education to the daltaí in the dancing schools and so on. Some of the boys and girls in those schools end up in the world championships or performing in Riverdance. They need to be supported and the funding provided must reach them.

A recent report by Grant Thornton found that an investment of €80 million is needed for the An Post network. The former Minister, Deputy Naughten, knows the issues facing the company. We need to support our post office network. It is vital, now more than ever, that small

rural post offices are able to survive, as well as urban services. Post office staff know the local people and offer an important connectivity in communities. If somebody is missing - it could be a person who is feeling a bit down and does not turn up to access a payment - the staff in the post office are the first to press the panic button. Funding must be provided for the post office network, but the money appropriated today will not be enough at all.

I welcome the 600 extra recruits to An Garda Síochána. That was a measure many of us sought because there was no recruiting for a long time. We need the new recruits and the extra cars in the Garda fleet. I want to make a special appeal in this regard. We have seen in Tipperary during the pandemic that community division has been reincarnated and reinvigorated. I spoke earlier today to Superintendent Denis Whelan in Cahir Garda station, who told me that he does not have the numbers and that, day in and day out, his community gardaí are being pulled out to do other duties. The same is happening in the community policing units in Clonmel, Cashel, Tipperary town and lots of other places in County Tipperary. We need more community gardaí and we need to ensure they are properly supported. There is excellent work being done in this respect under Sergeant Ray Moloney in Cahir.

Agriculture is our primary industry but it is not being stimulated and there is not enough funding going into it. I do not think we have the right people in charge. I am not saying anything against the Ministers, Deputies Donohoe and Michael McGrath, but we do not have the right people in the Department. We need the types of people, like TK Whitaker, who were there during a previous crisis.

I believe it was Churchill who said that one should never let a crisis hold one back. We should be borrowing when ECB rates are at 0.5%. We have not touched the banks. Fianna Fáil railed against the banks when it was in opposition and spoke about what it would do. Now that it is in government, it has not touched the banks even though they are fleecing their customers. They are taking people to receivers and through the courts. The county registrar in Tipperary has had 60 or 70 repossession orders land in on top of him in the past few days. We can borrow money at 0.5% and we should avail of it. Other countries are doing so and using the money productively to stimulate their economies. Regulations should be introduced to extend the moratoriums on certain payments but, more important, we must avail of the money that is being offered by the ECB at such low rates. Some countries are still paying back the money they borrowed after the Second World War. That is the way it should be and that is the type of solidarity we need from Europe.

People need to live and the economy needs to get moving. Mechanisms of stimulation are available and they should be availed of for the benefit of the self-employed and of ordinary working men and women. A Deputy mentioned the plumbers going to work every morning. Those people need to be able to work if our economy is to recover, but that will not happen if there is no money in the system. The money must be printed and released and, in time, it must be paid back. I am in business all my life and I know that everything must be paid back, but the rates of interest currently available offer amazing opportunities. There was a missed opportunity today for the two Ministers to deal with the banks. They should ensure they are lending or else they should get rid of them. We bailed out AIB to the tune of 90% State ownership but all we are hearing from bank managers is that they must get value for money. We are not getting value for money because the banks are not supporting our economy but instead are actually terrorising people. I could not believe that the Government parties and some Independents voted some weeks ago to end the moratorium. We need money to flow in the economy if we are to be able to look after people with disabilities and the elderly. Pensioners are only getting an extra

€5 per week and those who are working, whether driving taxis or lorries or whatever, are not getting a penny under the PUP. Older people have been neglected once again by being given only a miserable fiver.

I conclude with a warning that the carbon tax is going to have a draconian effect on rural Ireland. Every man who buys a tank of diesel, every agricultural contractor and every lorry driver will feel the effect of it. A green energy policy is lovely on paper but, in reality, it will punish ordinary people, including those who need to fill their tanks with home heating oil.

Deputy Michael Collins: There are parts of today's budget which I welcome. For rural Ireland, however, including my constituency of Cork South-West, it is mostly a severe kick in the teeth. In particular, I must talk at length about the carbon tax. It will add €1.51 to the cost of a tank of diesel and €1.30 to the price of a tank of petrol. This budget looks like a Dublin 4 budget which Green Party members can claim as a victory because it is a green budget. Did they give any thought to the people who have to pull up at a filling station two or three times a week to fill their tanks? They have no choice but to do so because they live in rural Ireland. This measure is an attack on farmers, hauliers and fishermen. Let nobody in the Green Party, Fianna Fáil or Fine Gael who supports this measure say to farmers that they should think about getting an electric tractor or ask the guy going out fishing in the morning, whether an inshore fishermen or whatever, why he does not put an electric engine into his boat or trawler. It is ridiculous.

This budget is quite simply a hit on the people of rural Ireland. That is what it is, start and finish, and the Government is standing idly by. At the last election, I was the only politician in the whole line of people running in Cork South-West who said there should not be a carbon tax because it would hurt the people of rural Ireland. The other candidates were quite happy with it but here we are today and we know people will be hit in the pocket because of it. Farmers, hauliers and fishermen have been contacting me all day long telling me it will hit them hardest. It will also hit the ordinary mothers and fathers taking their children to school every morning and going about their daily chores to try to survive. If they are not hit by the carbon tax, they will be hit by motor tax or the new vehicle registration tax. They will be hit one way or the other and those hits are aimed specifically at the people of rural Ireland. Nobody in government should try to fool or cod us today by saying it is all right and people will not be hit. They certainly will be hit and anybody in rural Ireland who thinks that is not the case is fooling himself or herself. This is the issue for which I have the most severe criticism today because it shows that there has been no understanding in the budget for the man and woman who lives in rural Ireland. It is hit after hit for them. Any Independent Deputies who come in tonight and say they will support this are turning their back on their own people.

I very much welcome the €55 million allocation for tourism. The industry in my own constituency is struggling severely and I have called for the introduction of a 0% VAT rate. We were told that it could not be done but the Government certainly could have looked at the UK model and introduced a 5% rate. Instead, it has decided to reduce the rate from 13.5% to 9% at a time when there is no tourism activity at all and people in the industry are struggling and barely surviving. This measure should have been introduced a number of months ago when it would have been an incentive to assist businesses through this terrible pandemic. It was a terrible mistake not to reduce the rate sooner. Now the Government is throwing a small gesture the industry's way by going from 13.5% to 9% in a month's time or two months' time. Fine Gael brought in the increase a couple of years ago, supported by Fianna Fáil. At that time it was bad news for tourism. We have pleaded with and begged the Government to row back in recent months because these businesses are in severe difficulty in terms of their survival. There was a

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chance in June and July to lower it a tad, by at least 5%, which would have been crumbs at that stage, but the Government failed to do so. Again today the Government has failed to do so and has not recognised the serious crisis out there at this time.

I read this evening there is an extra €4 million proposed for the LEADER programme. I would advise the Minister from the Green Party to have a complete rank and file change of the LEADER programme to take it back to the time when it gave money to the people of rural Ireland when they wanted it, and not the carry on that is going on today. It is being run off at the top and nobody is getting anything at the bottom. That is what the Minister needs to look at. This €4 million is only to top it up again for another year until the CAP programme comes in. I plead with the Minister to have a real look at it and to model it on the way it was previously, if he wants it to work and wants a LEADER programme for communities throughout Ireland.

There is €4 billion extra in spending for the health services, and I truly hope this will get to the people on the ground because this has not happened in recent years. Consider Clonakilty Community Hospital, which has been awaiting its extension and is losing numbers going into it. The endoscopy unit in Bantry General Hospital has been promised for two years, but there has been nothing. Not a sod has been turned or a brick laid. South Infirmary Victoria Hospital has been promised cataract services. I sincerely hope that part of this budget is there and that we will not face the current situation where the hospitals in Cork South-West are losing numbers of people going into them. I assume the health budget will turn this situation around. I will certainly be keeping a very close eye on it.

Publicans and vintners have said they have endured a shocking time in 2020, with public houses being closed for most of 2020, and no one can argue with that. The Vintners Federation of Ireland has said there is disappointment that the budget “failed to reflect the fact that these outlets will have been closed for almost nine months with minimum support”. That is its quote, not my quote. I have to listen to what these people say because they have been going through the most shocking time in recent months.

On the money for public transport, I would certainly be delighted if that was the fact. Way over €1 billion will go to Dublin MetroLink and the Dublin Luas project. I am worried that the money will end up being poured into Dublin. Rural Ireland needs public transport. If the Minister is bringing in a carbon tax, then he must bring in proper public transport services. We have a shocking bus service in west Cork. A young man, Damien Long, has started up the West Cork Connect service. He takes young people up and down every morning. He leaves his house at 4 a.m. or 5 a.m. to try to basically survive. The difficulty for this man in trying to survive, however, is that his operation is not a Bus Éireann. He is a private operator and he will not get subsidised. He is on his knees trying to survive. Every incentive in the book should be available to help him. I hope this type of money does that.

I see there will be a tax rebate for people who work from home. I believe this is a great incentive and what we need to be doing. The problem, however, is that people do not have broadband. Perhaps it is available in the larger towns but it is not in the rural places. My phone is on fire every week with people pleading with me on this issue. Bandon is a larger town with housing estates. One such estate is Inis Orga which has a hundred or so houses, half of which do not have broadband. How does the Government expect people to work from home when they do not have broadband? Most of those people go to the church in Bandon to piggyback off the WiFi there. We got a service in Gaggan but we had to fight tooth and nail even for that.

Deputy Danny Healy-Rae: I am glad to get the opportunity to talk on this very important budget. While I welcome the €4 billion pledged to the health services, one wonders how and where it will be spent and, most important, whether we will get the beds they say we will get. I have only to start with Killarney. Instead of getting more beds in our Killarney Community Hospital or in St. Columbanus Community Hospital, we are told the bed numbers will be cut. We will see very shortly who is right and who is wrong. I hope that we do not get the reductions we have been promised.

The carbon tax is a savage attack on working people. Most people who go to work in the morning drive to and from work. There is more tax on their cars and litres of diesel and petrol cost more as does motor tax. It applies right across the board to the hauliers who move everything. When the cost goes up for them, which it will have to because there is a 2.5 cent rise per litre promised along with other taxes, then hauliers will have to transfer the costs to the people whose goods they move. This is in order to survive. This is the honest truth about it. It is very unfair to hit the same people all the time. Most people on the road are already paying 50% income tax. What is the Government trying to do? Is it trying to tax the working people out of it altogether? These people employ and pay people to work for them. No one could do more harm to the motor industry than the Minister, Deputy Eamon Ryan. He is a fine man but his policies are totally and absolutely ridiculous. Back in 2006 or 2007 he wanted people to buy diesel cars. Then a few years ago he told us to get hybrid SUVs. Now we are being told that any relief that was to be had from having a hybrid SUV will be removed. That is wrong. Consider a family with three children. To comply with safety regulations and to be able to face the gardaí on the road when being checked, one must have special seats for the three children, which will not fit into a normal saloon car. Families may need seven-seater cars in order that they can go out on a Sunday evening or to school safely and will not be stopped by gardaí and brought to account. I am not blaming the gardaí, but what is going on the motorways is absolutely ridiculous. They were blocking traffic when people were trying to go home from work. The Minister for Justice and the Government were responsible, not the Garda. It was absolutely ridiculous to stop people, hold them up and keep them waiting for up to an hour and a half on the motorway when they had families and children to attend to. It was very wrong.

I welcome money promised to Irish Water. I must say here that I have a small company that at times does work for Irish Water. The sum of €44 million, however, is only a drip in the ocean and is not enough. Places such as Kilcummin, Kenmare, Rossbeigh, Scartaglin, Currow and Caherdaniel are without a treatment plant. The Castleisland water treatment plant has been waiting for 36 years for an extension to the sewerage scheme. Then we have people in here talking about the environment and worried about the environment. They do not want to talk about the sewerage systems at all. They tell us that we cannot build out into the country and that we must build in towns and villages, and yet there is no treatment plant in many of the villages and towns they talk about. Massive work is needed and money needs to be spent on it but Irish Water does not have the funds to do that.

There was no mention of old age pensions. Pensioners got nothing after being locked down all the year and having to pay people to bring their messages to them. They are still locked down. They are still being advised to stay at home. What about the women's pensions? A number of years ago they were promised the rightful amount due to them. There has been no mention of the community employment supervisors and what is rightfully owed to them, or any mention of giving anything back to them.

Deputy Naughten referred to broadband of which there was no mention. Many parts of our

counties are seriously disadvantaged by the lack of broadband.

7 o'clock

Indeed, there is a serious lack of infrastructure for mobile phones. The mobile service is barely working at all because when the load increased, the service went down. That is what is happening in rural and even in urban Kerry. On top of that, to get a land line put in is a total impossibility. I know of a woman living on her own, miles away from everyone and she cannot get a panic button fitted to her house because she does not have a land line. No one is interested in that.

Farmers are going to pay through the nose with the carbon tax. Everything a farmer does involves diesel, petrol or fuel of one sort or another for tractors, jeeps and so on. Farmers cannot move without putting diesel in the tank but this Government has no problem in the world with hitting these people and making them pay more. There is no word about the ferry to France or of putting money towards proper infrastructure to transport cattle out of the country from 1 January next. There is no interest in or cognisance taken of the request that I and other Deputies made several times-----

An Ceann Comhairle: I ask the Deputy to let his colleague in.

Deputy Richard O'Donoghue: I hate to be proven right.

Deputy Michael McNamara: It is better than being proven wrong.

Deputy Richard O'Donoghue: There were eight members of the Green Party elected in Dublin and this is a Dublin budget. It is an embarrassment to see the Government and the Cabinet going along with this. It is an absolute disgrace. As my colleagues have said, there is nothing in this budget for rural Ireland. What about the people on the front line who we depended on to get food into the shops? The Minister, Deputy Eamon Ryan, is taxing everyone and putting all of the funding into Dublin. This is a Dublin budget. Rural Ireland starts at the Red Cow interchange and people should realise that.

The haulage industry is already on its knees in the face of Brexit. This is a green budget but it was not thought through because the Green Party does not understand the haulage industry. This budget does not differentiate between a car user, a casual user and a haulier. Trucks, lorries and private buses are essential services but what does this Government do? It imposes taxes, more taxes. The industry has done its best. Half the national fleet is at the Euro VI standard. Surely the way forward is to incentivise the rest of the fleet to reach the Euro VI fuel efficiency standard, the highest in Europe. Since 2014 vehicles have been using AdBlue to neutralise the carbon from their exhausts at a cost of 40 cent per litre. A green car costs between €30,000 and €50,000 which nobody can afford. What is next for the industry? First Covid-19 hits and then the Government hits.

Where is the N20? The Government managed to reference the N56 to Donegal, the N4 to Sligo, the N5 to Mayo, the N22 and the Dunkettle interchange in Cork but where is the N20? Again, this Government has forgotten. Have Ministers ever driven from Limerick to Cork? If they did, they would know that the congestion is back to 2008 levels with the amount of traffic on that road. Yet again, this is something that they do not understand.

If the Government was serious about reducing emissions, it would do something for Shan-

non Airport, which is the main connection point for businesses in the mid-west region and the western seaboard. What did this budget do for Shannon? It is like trick or treat. The Government gives €10 million to Shannon Airport and €10 million to Cork Airport as if that will sort it all out. The mid-west is dependent on politicians like the Rural Independent Group to fight its case. State funding should be targeted to ensure the greatest impact. Politicians from all parties and none have expressed enormous concern for our most important sectors, namely tourism, hospitality, aviation, agriculture, healthcare, the arts and culture. We need to align the regional airports at Cork and Shannon so they can access capital supports from the EU.

The business community in Limerick and Clare is calling for an independent body with statutory oversight to provide balanced air traffic management. Dublin Airport was host to 32.9 million passengers in 2019 and was seeking to increase that number by a further 10 million prior to Covid-19. In 2019 Shannon Airport was host to 1.7 million passengers. It is strategically well placed for connectivity to anywhere in Ireland, Europe or the USA. Why is the Government not looking at the dispersal of traffic from Dublin? If the Government is serious about our emissions it must bear in mind that 32.9 million people came through Dublin while only 1.7 million came through Shannon and 2.1 million through Cork. The Government must look seriously at the dispersal of traffic and passengers. If I want to leave Dublin, depending on the time of day, it could take me between 45 minutes and an hour to get out of the city. It takes the same amount of time to get into the city when I come from Limerick. The Government wants to increase traffic into Dublin by 10 million. If the Government wants Dublin Airport to expand, why does it not ensure that Shannon Airport is host to 10% of the traffic going through Dublin and do the same with Cork? That will increase the numbers going through to more than 3 million, making both airports sustainable. Instead, the Government wants to shove every service into Dublin which is not only killing the airports in Cork and Limerick, it is also killing its own people in Dublin with the emissions. The Government is killing everything to shove it into Dublin. The Green Party needs to wake up. If it wants to stand up and be counted, it needs to wake up and understand industry. Traffic needs to be dispersed out of Dublin and into Limerick and Shannon. Where were the 32.9 million people going? They were going to Limerick, Galway, Kerry and Clare; they were not all staying in Dublin. If the Government is serious about reducing emissions, it needs to redirect 10% of traffic from Dublin. It is not a question of capping passenger numbers at 32 million. It should ensure that 10% of Dublin traffic lands at the other two airports. Then it will not have to provide them with €10 million each to keep them going. We need to disperse air traffic around the country to make sure our airports are viable and jobs are created in the regions.

Deputy Carol Nolan: I welcome the opportunity to speak on the budget today. As we are all well aware, the financial and economic constraints facing this State and our people are monumental. The Covid-19 crisis has resulted in a severe economic change for Ireland. We know from the Parliamentary Budget Office's analysis that the Department of Finance in its own economic forecast underpinning budget 2021 estimates that GDP will fall by 2.5% in 2020 before increasing by 1.4% in 2021. The Department also estimates that the unemployment rate will be 10.7% in 2021 but will increase further if more severe public health restrictions need to be imposed.

I acknowledge that the Ministers for Finance and Public Expenditure and Reform appear to have genuinely and sincerely attempted to arrive at set of financial measures that will have the maximum benefit across a range of sectors but I am concerned about broadband and the lack of ambition concerning the roll out of same in rural communities. The midlands in particular

has been very adversely affected by what I call the unjust transition. In that context, the roll out of broadband should be prioritised in terms of trying to bring investment into the regions, and into the midland region in particular. The midlands is very much disadvantaged by the lack of proper broadband. I had a Zoom meeting last week with IBEC and midlands companies were saying that they were having problems with telephones and computers which is causing difficulties for staff who are trying to work from home. The lack of decent broadband is a major obstacle that must be overcome if we are serious about investment in the midlands. I welcome the much-anticipated commitments around the education sector. Education is the engine of progress, both socially and economically, and we need to ensure there is continued investment in that sector across all age groups and categories. I note the Department of Education and Skills currently spends approximately €1.9 billion, or almost 20% of its total education budget annually, on making additional provision for children with special needs. We need to ensure this budget is securely ring-fenced. I am aware the Minister of State with responsibility for special education and inclusion recently announced a series of priorities, including measures aimed at improving initial teacher training, to ensure that teachers and special needs assistants are supported to receive training and ongoing guidance in the area of special educational needs provision.

What I want to see emerge in very practical terms from this budget is a commitment to provide a wraparound support service in schools for young people, including occupational therapists, speech and language therapists, behavioural practitioners and crisis supports in schools. In Laois-Offaly alone, there are currently 1,118 children waiting in excess of 12 months for occupational therapy, while 159 children are waiting in excess of 12 months for speech therapy. It is also vital that sufficient budgetary provision is made to improve long-term planning for the provision of special school and special class places so that no child misses out and that every effort is made by school leaders and boards of management to include children who may not come from a particular catchment but desperately need a place in a school.

On agriculture, the Minister will be aware that farming organisations have called for full compensation for any further losses during the transition period arising from Brexit uncertainty, Sterling volatility and Covid-19 impact across all sectors. I and my rural colleagues will be taking the time in the next few days to digest the exact detail of the budgetary supports provided to the agriculture sector. However, I am aware from reports that today's budgetary approach to the Department's various schemes and taxation measures remains essentially unchanged from last year's budget. Although I had hoped at a minimum to see a further strengthening of the Government's Brexit contingency fund which allocated €110 million to agriculture, I understand the need to refocus this allocation to strengthen existing supports.

Young farmers need urgent supports if we are to encourage young people to take up farming. I fully support the Macra na Feirme submission on this budget, and I support its call for a dedicated debt mediation service to be set up for farmers and for tax exemptions on the leasing of farmland to family members under the age of 30. The Government needs to listen more to the voice of young farmers, who are very well represented by Macra na Feirme.

What is also desperately needed is a commitment to finally bring forward the reforms around the fair deal and the Nursing Homes Support Scheme (Amendment) Bill 2019. We have to make financial provision for these reforms, which must include measures around farm land leased to third parties in line with other Government policy on inheritance under agricultural relief.

I want to highlight several other issues with respect to agriculture. I welcome the Depart-

ment's prioritising of the retention of schemes until a new CAP is in place. From what I understand, no income volatility scheme is expected to be put in place, and I believe we need to re-examine this. I also welcome the new measures aimed at increasing funding for new market developments, which will be vital in the months and years that lie ahead. I ask for more detail on the introduction of the new rural environment protection scheme, REPS. As I understand it, only a pilot project is being put in place. We will be also looking closely at the proposal within REPS to link a reduction in the national suckler herd to access to the scheme, which I would find outrageous. We had this with the beef exceptional aid measure, BEAM, last year, where farmers could not take up the scheme because they were not willing to reduce their herd by 5%, rightly so. We have to stop scapegoating and blaming farmers for climate change. We have to be fair. It is a sector we depend upon in rural Ireland and it is the backbone of the rural economy.

It is vital that more support is provided to farm forestry and the forestry sector generally. This is an area of significant employment in rural counties and it needs adequate supports, such as the requested €4 million to restore the farmer premium and the introduction of a harvesting plan grant to assist forest owners.

I conclude by asking that, whatever happens with respect to Covid, the Government remains open and engaged with regard to the many and various concerns and the various sectors that make up Irish life and the Irish economy.

Deputy Michael Healy-Rae: At the outset, I would like to address this budget for what it is, and that is the Green Party's budget and definitely the biggest case of the tail wagging the dog we have seen since the foundation of the State. Fianna Fáil and Fine Gael have obviously sold their souls completely for power because not only are we seeing this budget brought before us, but it is terribly important for people to realise that the Minister for Finance, in his press briefing after this budget speech, outlined that the Finance Bill will legislate for a carbon tax hike of €7.50 per annum until 2029 and €6.50 in 2030. This will, in effect, mean he and this Government are marrying future politicians and future Governments to this tax, whether they like it or not. The people of Ireland have to understand that it is going to equate to €9.5 billion of extra taxes being burdened upon them over the next ten years.

I am not a climate change denier. I am interested in protecting the environment and the climate. I want to ensure the children, grandchildren and great-grandchildren of the future will have a world to live in, and I want to protect every species in that world, including the human species. That is very important because we have to remember the humans who have to live here today, tomorrow and every other day.

What has been done in this budget is an attack on rural Ireland. As has been already stated, it is a direct attack. What are we telling people here today, for example? I am sure the Ceann Comhairle will be interested in this. While it is very seldom I do it, this evening I kept an account of the telephone calls I got which were specifically related to the budget and which were negative, and 72 was the number of such calls. Every one of them was from the greatest county in the western world, County Kerry. I received 72 calls telling me what was wrong with the budget. I am only one politician from Kerry and I am a representative of only an average number, and they are not all going to ring me, surely to God. Nonetheless, 72 people rang me to give out about it. They were not wrong and the people who are behind them at home were not wrong.

I will tell the Minister what they saw was wrong with it. There are people in Kerry today who are proud of the motor car they own, and whether it is five or ten years old, or whether the jeep they own is ten, 15 or 20 years old, it is theirs. They are being told they will be penalised from a tax point of view from tonight due to the excise that will be put on petrol. They are being hit all the time. Why so? What are they guilty of? They are guilty in that they might not have the wherewithal, or they might have other priorities, or their own car or jeep might be doing fine, but the Minister, Deputy Eamon Ryan, thinks they should be driving an electric vehicle. Actually, he does not even think that. I will quote him and remind him again and, until I die, I will keep reminding him of what he said one day. I hate talking about anybody in their absence but I have said it to his face and I will keep saying it to him. He suggested that in villages in rural areas, the people should have no cars and what they should actually do is to have carpooling. He put a figure on it and said that if there were five or ten cars parked in the local village, everybody could come down and use those cars. Would there not be some tearing for the cars in the morning when people are trying to go to work? For God's sake, that will tell us the mentality.

Then, we have the geniuses in Fianna Fáil and Fine Gael who decided to listen to what this man said. If he told them that night was day and *vice versa*, they would believe him at this stage because they are swallowing everything. Why? It is because of power; it is because of ministerial jobs and being in positions of power. They sold their souls and despite the mandate they had themselves, whereby they were asked to come up here and represent people, they have let down an awful lot of people.

There are some things I welcome. I am from the tourism capital of the world and there we have Killarney, which is the jewel in the crown of tourism in the world. What I am hearing today is that, while the VAT rate has gone from 13.5% to 9%, that cut was not given when it was wanted and 9% of nothing is nothing, which is what our businesses are doing at present. It is heartbreaking to see all the fine hotels, pubs and restaurants shut. I appreciate some of the measures that have been put in place but, when I look at what is actually happening, the Government appears to be all over the place.

Rural Ireland has again been left behind in this budget. Where is the funding in this budget for rural public transport? Where is the investment in working from home in rural areas? How has this budget tackled issues with regard to conditions in our meat factories? Why was the pandemic unemployment payment, PUP, not reinstated in this budget?

I remind people that rural Ireland will be hardest hit under this budget. We will pay the highest price for it. I refer to the essential services we need. For example, we need more acute beds in University Hospital Kerry. I have studied very diligently what this budget contains for health and whether it provides anything for our hospitals, including additional acute beds. People talk about our hospitals being full to capacity. It is very easy to fill all the acute beds in a hospital if it only has three or four of them. Proper acute services are needed if we are to be able to deal with not only this pandemic, but any incidents that might occur. We need these services to be provided on the ground in our own local areas.

At a time when we can borrow billions, I am very disappointed that the priorities are all wrong. We are tying ourselves up in knots with additional taxes and charges that did not exist in the past and which will be introduced at midnight after this budget is inevitably voted through. I remind people again that this budget is not only for tonight. Tonight is a very significant night. Through the Climate Action and Low Carbon Development (Amendment) Bill 2020, we are

condemning future taxpayers. Students going to school today will pay the price for this. I appreciate they have a strong interest in the climate but do they realise that, after tonight, when they enter the workforce and want to put petrol or diesel in the car, they will pay a very high price for it?

Deputy Michael McNamara: I agree with the previous speaker that this budget and the Government's approach to it have been all over the place. It is a little bit like the "Late Late Show" in that there is something for everyone in the audience but, at the end of the show, one thinks back and realises that what was in it was utterly forgettable. That is, unfortunately, the approach being taken. Perhaps this is, in part, a matter of necessity but one could take the view that, as a result of Covid-19, direction is a necessity and that direction is markedly absent from this budget, with the exception of some measures towards the green agenda and improving the environment.

I will focus on a couple of points before returning to general matters. One is the announcement of funding for mental health. Some €38 million is provided for additional services. On the face of it, this is very welcome and badly needed. This is, however, to be matched with €12 million for the existing level of services, ELS. Anybody who has anything to do with mental health provision would accept that the existing level of services, as paltry and deficient as it is, cannot be provided for €12 million. What then is the additional mental health budget announced today? To say that it is €38 million is, frankly, deceitful because it is not. There is a total package of €50 million, which I welcome. It is certainly more than it was but to say that it is €38 million more than it was is untrue and is simply playing with statistics. What is it that Churchill said? Everyone wants to quote statesmen at the moment. I suppose that is inevitable when we speak in terms of a war. He spoke of lies, damned lies and statistics. I welcome the additional funding for mental health but it is nowhere near €38 million and I would welcome clarity in that respect.

We also need clarity as to whether that budget is ring-fenced. The last Minister of State with responsibility for mental health who had a ring-fenced budget, as far as I am aware, was Kathleen Lynch. That was a long time ago and even that budget was not quite as ring-fenced as it appeared. It was, perhaps, something like this €38 million. We need a ring-fenced budget and all of the €50 million must go to mental health services. If it is not ring-fenced, it will inevitably fall victim to the apparent view of the Department of Health that mental health is not really health but something else. It seems to believe that acute hospitals are health and that nothing else really matters. This is an approach which has served us ill over recent years.

There are a couple of other things on which I want to focus. Crèches and the lack of funding for childcare services was one of the issues to dominate the last election. It has now become even more onerous to provide childcare because of the necessary guidelines to help prevent the transmission of Covid-19. There is, however, no additional funding to take account of this. The area was already under considerable financial pressure. The State was expecting various voluntary groups and small businesses to provide what is essentially a State service while not funding them. This budget has not done anything to address that.

The issue of family carers is similar. They are under great pressure. Even now, only 35% to 40% of the services normally available to people carers look after are open. The Government hopes to get that figure up to 60%, which is a decidedly unambitious target. They say, "Show me your budget and I will show you your values." I say, "Show me how you treat the most vulnerable in society and I will show you your values." To suggest that 60% of the services that

were available to the most vulnerable and those who look after them will be adequate or is the best we can aim for is disappointing to say the least.

There is one other issue on which I would like to focus and that is the issue of broadband. This has been mentioned by various Deputies. There are two major problems with broadband in Ireland. One is that, in many areas, we do not have it. I noticed one of our celebrity epidemiologists saying on the radio when retail outlets were being shut down that they could sell their products on the Internet. This person should tell that to the many shopkeepers and small business owners across rural Ireland who simply do not have access to Internet service of any quality. There was an opportunity in this regard. Youth unemployment is now a massive issue. The lack of opportunities available to young people, who cannot emigrate as they could heretofore, is a massive issue facing the State. I welcome the expenditure on capital projects which the Government has announced but surely this is the big capital project of our times. It could have been accelerated and it could have created employment opportunities.

The second problem with telecommunication providers is the appalling level of customer service provided by existing telcos. ComReg is mentioned three times in the programme for Government. I see no additional funding announced for ComReg to allow it to keep pressure on the existing telecommunications companies to provide adequate customer service, which they have not, to date, provided. They are in a race to the bottom.

The general backdrop to the budget is bizarre. I agree with Deputy Danny Healy-Rae about the number of members of An Garda Síochána who were ordered to go out and sabotage the economy last week. They were ordered to go out and hold people with children and people trying to get the ferries on motorways. This was happening in places nowhere near county boundaries just as a demonstration that the State exists. I appreciate that restrictions are required as a result of Covid-19. Of course they are but to sabotage the economy deliberately in that way and to jettison sectors of the economy deliberately while borrowing money to compensate people partly for their losses is truly bizarre. It is the first time, that I am aware, that states have taken this approach. Ireland is not unique in this respect. It is not a change from a capitalist economy to one that is centrally planned, but a change from an economy to no economy. We are borrowing money, and I accept it is cheap money and that is great, but at some point in the future it will be necessary at least to demonstrate an ability to repay that money, if not actually to repay it. Our headline figure, of course, is good. I refer to a deficit of 6% of GDP. That is, however, predicated upon an artificial GDP, based on us eating the lunches of every other member of the European Union when it comes to corporation tax. Unfortunately, that will not last forever.

Deputy Joan Collins: This is an exceptional budget for exceptional times. The headlines refer to billions of euro being spent in this budget to keep us all in this together and keep us all working together. The priority for any Government would have to be combating Covid-19, while trying to maintain people's jobs and livelihoods. This should also, however, be seen as an opportunity to take stock, look at our society, identify the key problems and set a new course. There is, unfortunately, little prospect of that happening with Fianna Fáil and Fine Gael, or the other parties in government recently, the Labour Party and the Green Party.

Dealing with Covid-19 is a major challenge, but it is not responsible for the parlous state of our public health service. The responsibility for that lies with decades of underfunding and a decade of austerity to pay for the bailout of the banks and developers. The onset of the Covid-19 pandemic is not responsible for the housing and homeless crisis. This crisis is the outcome of decisions taken more than 40 years ago to stop building public housing. Covid-19

is also not responsible for the largest class sizes in the EU and it is not responsible for one of the most unequal societies in the world, with unacceptable levels of poverty, including child poverty

It is one thing to allocate high levels of State spending in an emergency, but it is another thing altogether to link such spending to the structural reforms and fundamental changes necessary. To do that, it is necessary to be prepared to admit what was wrong in the first place. Spending a bit here and a bit there and references to Sláintecare will not deliver a single-tier public health service with universal access. Funding is required, but also fundamental reform and a willingness to confront the vested interests that oppose it. I welcome the €38 million allocated to the development of new services in the area of mental health and the €12 million to support the service levels put in place for 2021. As has already been stated, however, that funding must be ring-fenced. In particular, that €12 million cannot, given the need for the required service levels, be taken from the €38 million now allocated. That money must be there to build capacity in our mental health services.

This budget will do nothing to resolve the housing and homeless crisis. Allocating €500 million for capital expenditure contrasts sharply with the €2.4 billion in current expenditure, of which more than €1 billion will go to private landlords through the HAP and RAS schemes. There is no commitment to build public housing, or a commitment to build only public housing on public land. We know there is sufficient public land available to build 100,000 mixed tenancies, including traditional council housing and cost-rental. This budget has no ambition or political will to deal with the provision of housing for the thousands of people who cannot afford the high rents, who cannot afford to buy homes or those languishing on the local authority lists and in emergency accommodation.

Our education system, and in particular our primary schools, have suffered years of chronic underinvestment. The onset of Covid-19 has now shown up the lack of basic facilities such as hot water supplies, which is seemingly an exception in our schools, minimal provision for cleaning and cramped and overcrowded facilities for learning and play. We have the largest class sizes in the EU, with one in five pupils experiencing a teacher pupil ratio of 1:30, or higher. The Budget Statement refers to providing for the establishment of a teacher pupil ratio of 1:25. How many teachers will be needed? Do we have a pool of teachers who are waiting to be brought in to deal with this issue? Do we have teachers in training who can take up those positions?

We enter this crisis with almost 700,000 people living below the poverty line, including 225,000 children. The Society of St. Vincent de Paul commissioned a study which showed that a single adult needs a minimum of €249 a week just to get by. Leaving the core welfare rates at the present level means a continuation of widespread poverty, which will undoubtedly increase as unemployment grows due to the impact of Covid-19 restrictions. We are heading towards having a jobless rate of 50% for workers aged under 25 years old. Those aged under 25 years old comprise 11.7% of the labour force, but make up almost 22% of those receiving PUP. A high proportion of those people would have been part-time, low-paid workers and are therefore receiving the lower level of PUP. Turning to the jobseeker's allowance, some 13,000 people, or 85%, of those aged under 25 years old are on the lowest rate, which is up to €112 per week. The National Youth Council of Ireland estimates that a young person living alone in an urban area, and taking rent into account, needs at least €466 for basic needs. The lowest rate of €112 per week is one quarter of that estimate. Including HAP, that is still short €190 a week for basics.

The National Youth Council of Ireland also called for an increase in this budget of an extra €45 per week for those on the rate of €112 per week, with a view to increasing the level to €203 over a period of two years. That would cost only €35 million. Those aged 25 years old and under have been totally ignored. The PUP should have been restored to €350 per week in the budget. A move to level 3 nationally, and possibly to level 4 in most affected areas, is extremely likely at this stage. The ability to borrow at interest rates of almost 0% is an opportunity to begin redressing these problems in public healthcare, affordable housing, access to good quality education, and where it matters most, at primary level, and to tackle unacceptable levels of poverty. It is an opportunity that has been missed.

My last point concerns contact tracing. I was contacted by a constituent whose partner tested positive for Covid-19 last week, on Thursday, 8 October. She was only contacted today at 2.30 p.m. regarding contact tracing. Her partner was declared positive yesterday and he was contacted today. There are major disparities, therefore, in that system and we must find out why that is the case. We must do that because we know that track and trace is key to chasing down this virus.

Deputy Michael Fitzmaurice: I welcome this opportunity to speak on today's budget. Like most people who have spoken on the supports for businesses affected, I welcome what has been provided. The devil will be in the detail of all of this, however. I state that because many people this evening think that something like €5,000 will jump out to them every week if they are shut down. From what I have seen, however, over the last few years in politics, things do not come that handy. I am fearful of the red tape that will be involved in all of this.

I also welcome other aspects of the budget, such as those in the areas of the fuel allowance and the living alone allowance. One thing that struck me, however, when the Minister referred to business supports and infrastructure, was that only two ports were mentioned. Ireland does not work on only two ports, namely, Dublin and Rosslare. No mention was made of anywhere else, such as Cork, Foynes, Galway, Killybegs or Drogheda. Those places do not seem to exist. We seem to be once again tilting Ireland heading towards Dublin, and because the other port is included in the trans-European transport network, TEN-T, we will talk about it a bit.

Turning to the HSE, and I have heard the debate here this evening, we hear about all of this money being provided. I refer to €4 billion or €4.5 billion. Most of the beds, however, are already allocated. I think that is something like 120 beds or perhaps 130 beds. In the same way as is the case with the N4 in Sligo, that job is done. I am sick of listening to budgets over the last three years that have been concerned with that infrastructural road. It is done and dusted and the diggers are gone so let us not be announcing infrastructural works four or five times. We seem to be a dab hand at doing that.

There was talk about the giveaway budget today, but a few months ago there were kids, and some of them still are kids, who could not be carried to school because of the so-called green agenda. We talk, then, about the DART and intercity rail. We talk about everything. Let us go back some two months, however. What was wrong then that we would not bring those children to school? We are now, however, going to do the devil and all in putting money into this, that and the other. Many of these announcements are already programmed, such as the infrastructure for schools, which is all laid out over a five-year programme. We should be honest with people in what it is we are doing. Among many possibilities, I will call this endeavour today one thing. It is a reckless budget which is trying to destroy rural people, middle Ireland and farmers. People from middle Ireland are the people the Tánaiste said get up early in the morn-

ing and go to work. They live in rural areas in County Galway or any other county and drive 30 miles or 40 miles every day to work, and their partners do the same. They have mortgages. Once their income is over €25,000, they can say goodbye to everything. The Minister should not say that they will get the carbon tax back if they are over €25,000. Let us not be coddling them. Middle Ireland has been forgotten about. This budget will now cost those people approximately €300, and that is just living on the basics. The Government then tells them to get a car worth €30,000 when they can only afford one worth €4,000 or €5,000.

As regards the farming community, I welcome the extension to stamp duty relief. I welcome anything that is positive but in the farming sector, we do not know what kinds of tariffs will be laid out in Brexit. In 2019, we had the beef environmental efficiency pilot, BEEP, scheme and in 2020 we had one called BEEP-S. The Government is now after announcing a new scheme in the budget and says it is a new thing altogether, but it is not. It is just a new name for the scheme and it will be called the beef sector efficiency pilot, BSEP, instead of BEEP or BEEP-S. The bit of tomfoolery that goes on in the wording of a document does not cod people. That is the same money that was there this year and last year. It is only a continuation. We will be looking at a new REPS-type scheme but €20 million only covers about 3,000 farmers. There are 130,000 farmers in this country and the Government believes it is going to pressurise them constantly to save the planet.

As regards transport, look at what happened today. We are now going to try to haul our beef and different farm products, because whether people like it or not all our food is hauled, either within a city or out the country. We are putting an extra carbon tax on them to make sure we skull them a bit more and so we will not be as competitive as Britain or some other country. Shutting down the rural side of it seems to be the agenda the Government is following. The Minister should think tonight of the couple whose income is over €25,000. Let one person show me what they get back. They have to pay for college, pay their mortgage and carbon tax, and now they will pay more car tax because the Government is going to screw them that way as well. It will keep pulling from the people who are keeping the country going and who keep sending the money in, because they are the quiet ones. They have to get up early every morning and do not have time to talk.

Deputy Thomas Pringle: Budget 2021 has been developed and delivered under the threat of a no-deal Brexit as well as the added risk of Covid-19 and its impacts on our health, livelihoods and economy, not to mention the climate emergency we are facing. None of us could have predicted that we would be in the midst of a global pandemic and that we would have a Government in which the Tánaiste still thinks he is Taoiseach and which has more leaks than a bottomless bucket. However, here we are, underwhelmed on budget day yet again. We are facing a crisis and this budget fails to demonstrate the necessary leadership or vision. Instead, it seeks to keep a lid on things in order that we can be brought back to the old normal. The old normal did not work in the past and will not work in the future either.

Covid-19 has brought the damage of Fianna Fáil, Fine Gael and Green Party policies to the forefront of conversations in Irish households. That damage includes the consistent under-resourcing of our health service; the inequalities of the two-tier health system; the lack of appropriate, adequate and affordable housing; the working conditions in our meat factories; the inhumane conditions in direct provision centres; and the lack of adequate infrastructure for working from home, particularly in rural areas with bad broadband connections. I could go on and on here and the reality is that if the left were in Government, we would now be addressing these inequalities rather than looking at what we have today. Instead, the Government has decided to

put together a piecemeal budget with some small morsels for people, like the €5 increase in the living alone allowance and the €150 increase in the carer's support grant. Realistically, there is nothing in today's budget that will make much of a difference to the majority of people in Ireland. Not only does it not have vision; it also does not have heart. It is clear that it does not see us all in this together.

The reduction of VAT for the tourism and hospitality sector from 13.5% down to 9% is a wasted measure in this budget. I can only assume that the Government is trying to pay lip service to a struggling sector, because the many reviews of the previous reduction from 2011 to 2018 showed that it had little or no impact on prices for customers or employment in the sector and that prices, particularly Dublin hotel prices, actually rose during that time. The 9% reduced VAT rate was introduced from 1 July 2011 in the midst of the downturn and recession and was due to be restored at the end of December 2013. However, the delay in restoring VAT to 13.5% meant that by the end of 2017, this measure had cost the Exchequer an estimated €2.6 billion. The IMF, OECD and EU all recommended that the reduced rate be reviewed or abolished, as it certainly was not bringing lower prices to consumers or affecting employment in the sector. In fact, the Government's own Irish Government Economic and Evaluation Service paper of July 2018 stated that "the 9% rate is regressive, benefitting better-off households disproportionately more than worse-off households." It also found that small bed and breakfasts are not VAT-registered and therefore, could not and did not benefit from this reduced rate.

I understand that businesses in the tourism and hospitality sector are seriously worried about the impact of closures and reduced numbers and other impacts of Covid-19 on their businesses. I recognise that this has been one of the sectors most affected by Covid restrictions. However, surely the sector would be better served by support grants for businesses and not by a measure that reduces what is available. I acknowledge the call from 60 hospitality businesses in Donegal, which asked for four specific measures in this budget to assist the tourism sector in the area. A letter, which went out to all Deputies, stated that around 5,500 jobs were at risk in the area. I support calls for the extension of the moratorium on bank loans from six months to 12 months and the extension of the local authority rates waiver for a minimum of 12 months.

Donegal has the highest proportion of the population dependent on social protection payments and social transfers. Four of the top ten areas with the highest incidence of Covid recently have been in Donegal, namely, Lifford-Stranorlar, Carndonagh, Letterkenny and Bunrana. With the increasing numbers in the North there has been speculation about the Border counties being moved to level 4. What financial assistance will be made available to Donegal under the town and village renewal scheme or any other initiatives? We are already the forgotten county and the only region without a rail network or major motorway. During the summer, the Parliamentary Budget Office publication on regional economic disparities showed that Donegal had the lowest disposable income *per capita*, at €15,546. Of course, disposable income *per capita* was higher in the east and midlands at €23,869 and Dublin had the highest disposable income at €25,497 *per capita*.

Donegal needs investment in public transport for many reasons, including to address climate change. I successfully proposed that the need to expand rural public transport radically be included within the report of the Joint Committee on Climate Action. What we have here today is further penalisation of those who cannot afford to spend €40,000 or €50,000 on electric cars or hybrids. Electric vehicles are prohibitively expensive for many people.

There is nothing in this budget to address sick pay for workers. I have said before that Co-

vid has exposed the many faults in some areas of employment and that there are people who simply cannot afford to stay home from work when sick. It is recommended that we work from home where possible and not use public transport, but there is no recognition of the many workers who simply do not have these options. Basic employment rights with adequate workplace inspections or enforcement of these rights would have made a huge difference here. I support ICTU's call for mandatory sick pay for all workers and I would be interested to see what aspects, if any, of gender and equality budgeting were taken into account in the production of this budget. I would say consideration of those aspects was fairly light. It is laughable to listen to Fianna Fáil Members talk about the state of our housing and rental sectors as if they are innocent bystanders. We are in this crisis because of the policies of Fianna Fáil over recent decades. Today, the Minister, Deputy Michael McGrath, announced that 85,000 tenancies will be supported through the housing assistance payment and the rental accommodation scheme without any sense of irony. The hypocrisy of saying we need a radical reappraisal of how we deliver housing while further distorting the private rental market through these measures will not be lost on those on the front line, working and volunteering in these sectors. Measures which were previously rejected as being unconstitutional were implemented during the Covid crisis, such as a ban on evictions and a rent freeze. These are the measures we need to see. They are things that would make a real difference to people's lives.

It is also amazing to hear the Government talk about the impact of high insurance costs on businesses when it is something that Opposition Deputies have been raising for years now. Before the Covid crisis, businesses were closing because of extortionate insurance costs. The public and business owners will not be fooled by this Government.

There are a number of other issues that I will explore in tomorrow's speech. This is a disappointing budget from a haphazard Government. As Seamus Heaney said, "Anyone with gumption and a sharp mind will take the measure of two things: what's said and what's done." That will be the measure of the Government.

Deputy Marian Harkin: In any budget, the relevant Ministers make decisions as to how they and their Government will spend the taxes that each and every one of us will pay over the next 12 months. They will also decide how much to borrow to fund their policies and programmes, again safe in the knowledge that it will be the taxpayer or their descendants who will, in time, foot the bill. It is important to say that it is not Fianna Fáil, Fine Gael or the Green Party putting their hand in their pocket and allocating moneys. They are actually putting their hand in the taxpayer's pocket and allocating that money. That is fine. That is how it is. With that comes significant responsibility in spending the nation's taxes and borrowing in the most efficient way. Any budget should provide a framework for economic development and ensure social solidarity. It should provide a safety net to those who need it. It should fund our essential public services and it should provide incentives and supports to businesses across all sectors. It should ensure progressive taxation systems to underpin its investments. We as a people need to have hope that its framework is sufficiently robust to withstand the impact of a disorderly Brexit and to deal with both Covid and non-Covid healthcare issues.

With regard to the overall spend, we can borrow at negative interest rates right now. Today was the day to pump-prime the economy and ensure that that safety net is in place for all who need it. We should have used it to support family carers properly. We should have used it to provide our Defence Forces with a decent salary. We should have used it to provide greater supports to those who largely, but not exclusively, live in rural areas and are negatively affected by carbon taxes, with no alternatives for public transport, and, of course, increased costs

to farmers. We should have used it to reinstate pandemic unemployment payments to their previous tiered levels, with €350 as the highest payment. I am genuinely disappointed that the Government could not see its way to do this. We should have used it to invest further in capital projects. While there is a review of the national development plan next year, it should have happened sooner and those projects should be up and running in 2021, because money is available now at a cost that it may not be in 12 months. We should have used it to kick-start more ambitious carbon efficiency schemes that will deliver for the environment, for farmers and for householders. We should have used it to invest in the early childhood sector, where we still languish at the bottom of the European scale of spending. We should have used it to be more ambitious in additional spending as some of the figures are simply a rehash or reheating of already announced projects.

This budget has many positive points. I accept that real improvements have been put in place for businesses, healthcare provision and the tourism and arts sectors. I welcome the 9% VAT rate and the rates waiver. My focus is to look at the gaps and suggest how they can be bridged.

If there is one area that I am particularly disappointed about, it is that many family carers are worse off after this budget than before. There is a €150 increase in the carer's support grant, but that will not be in place until June 2021, and most family carers do not receive this payment. The fuel allowance is being increased but carer's allowance is not a qualifying payment, so most family carers will not receive that benefit. There are 5 million additional home care hours, which is important, but only 40% of day services for adults with disability have been reinstated. The plans are to increase that to 60%, but think about it. It still means that many families will experience a 40% reduction in their supports in the foreseeable future. The income disregard for carer's allowance has not increased in 13 years. This year was the year to do it.

I look at the budget through the lens of balanced regional development. In its 2020 country-specific reports, the European Commission notes that regional disparities in Ireland are among the highest in the European Union. What is more frightening is that the gap is widening yearly. It is difficult to assess regional impact as it is only when the programmes are rolled out that we can see the regional spend. One thing is for sure and that is the need for a significant change in the planning and expenditure mindset. The most recent Northern and Western Regional Assembly report details significant underspends in that region across health, education, national roads, local roads, housing, disposable income, and the list goes on. One or two things jumped out at me. I heard my colleague, Deputy Fitzmaurice, talk about the N4 and N5. Much of this spending has already been allocated. He also mentioned that there are just two ports. Nothing else is mentioned in this budget. The budget talks about support for Cork and Shannon airports, which I fully support, but I did not see Ireland West Airport Knock mentioned. I see money for broadband, but is this new money? Finally, on agri and rural development, it is largely a case of where one works, with the roll-over of schemes such as GLAS, areas of natural constraint and sheep welfare. I will come back to that tomorrow when I have another few minutes to address this House.

Has the budget delivered? Efficiency can only be decided this time next year. It has provided a safety net but there are holes for carers, early childhood provision, the Defence Forces and our pandemic unemployment recipients. Regarding big ticket items, the Government has gone part of the way, but greater ambition should have been shown.

8 o'clock

We may never again have a chance to borrow at negative interest rates and we should have taken that chance today.

Deputy Catherine Connolly: I welcome the opportunity to take part in the debate. I wish I could say the Government has embraced the challenge to give a transformative budget but I am afraid it has failed miserably.

There are good parts of the budget, which I welcome. As my time is limited, I will not itemise them but I welcome the contributions to TG4 and Údarás na Gaeltachta. I welcome the changes to disability supports, small though they are. There are many other elements that I welcome. What is missing is an overall recognition that we have one last opportunity to bring about transformative change because of the challenge of climate change and Covid-19.

The language used throughout this Covid-19 pandemic is we will never go back because we have learned. Equally, we declared a climate emergency and biodiversity crisis on 9 May last year. The Government was forced into doing that by the Opposition in order to move forward. I looked at the two speeches today, doing my best in the time I had, although I will go back over them again tomorrow, but it says it all that in a speech of a good few pages, there is less than a page from the Minister for Finance, Deputy Donohoe, on climate change. The Minister for Public Expenditure and Reform, Deputy Michael McGrath, was better with a page and a half. This was instead of both speeches coming from a recognition of climate change and that things must be different; there is no going back and this is our last opportunity.

I looked to see what we have done. The Minister, Deputy Donohoe, told us his Department is publishing an analysis of the budget for 2021, which provides clear evidence of its progressive nature and how it protects the most vulnerable in society. It has not been published and we cannot know that it provides clear evidence of its progressive nature because we have not seen it. It would have been wonderful to have that report so we could analyse its progressive nature. I fail to see it going through my notes, particularly when I come from a city where people are waiting more than 15 years on the housing waiting list without being offered a house. I say that to illustrate the extent of the housing crisis in Galway city, which has been evident for a very long time.

I call him the Minister of the briathar saor - the Minister of the passive tense - Deputy Michael McGrath. He stated that for years, supply has failed to keep pace with demand, and rising rent and house prices have pushed home ownership out of the reach of many. It is the briathar saor and he had nothing to do with it, and neither did Fianna Fáil, Fine Gael and now the Green Party. Rents, apparently, just rise and house prices go up. The vast majority of people are forced out of the housing net but those parties have nothing to do with it.

In the strongest possible terms I say that government after government have led to this housing crisis with their policies. The Labour Party was also part of that with Fine Gael when it brought in housing legislation. If the party realised it was a mistake, I would love to hear about it, but it introduced the housing assistance payment, which has been the single most important determinant of rents rising and a housing crisis in this country. Between the housing assistance payment, the rental accommodation scheme and long-term leasing, we are putting more than €1 billion per year directly into the pockets of landlords.

I am on record as saying we need landlords and I am not against them. We need landlords in the market but the Government must be i lár an aonach, in the middle of the fair. It has never

done that. Today we see the language being used but there seems to be a little divergence, despite the Ministers, Deputies Donohoe and Michael McGrath, appearing happily married. The Minister for Public Expenditure and Reform, Deputy Michael McGrath, seems more determined to build social housing, speaking about €500 million for such housing and the building of more than 5,000 homes. It is not possible.

There is sleight of hand all the time when we speak of social housing. It seems that benefiting the private market under the various schemes is what social housing is now about. If we have learned anything from Covid-19, it is to be honest and direct with people rather than giving double messages like the Tánaiste did on “Claire Byrne Live”. He undermined the National Public Health Emergency Team and the very next day he went to his parliamentary party to say it looked like a full lockdown would be necessary. We can cite many examples like this. I appeal to the new Minister to speak directly, clearly and honestly to people. If the Government is to put all its resources into the private market, it should say so, but stop pretending otherwise.

There was talk of an extra €28 million for mental health but we were not told that for years, it has been the poor relation in health. We have not been told where the independent monitoring body that was promised to be set up is because nobody has ever trusted any of us politicians - and rightly so - when it comes to mental health. The independent monitoring system has been promised but there is no mention anywhere of that.

There is the question of disability. Earlier this year I received a letter, like all Deputies, on this matter. In this case it was from Ability West, where the training allowance was taken from people at training centres. It was a miserly allowance compared with what I earn but it was taken. It would have been a measure of the Government’s bona fides to reinstate that allowance, which meant so much to people attending those training centres, giving them a measure of independence.

I live in a city where large numbers of people receive no respite, so people struggle with husbands with dementia and children with disability with absolutely no respite. The latest letter from Merlin Park hospital indicates no respite has been provided since March this year.

There is an increase in the carer’s support grant of €150 per year but the Government has not thought about looking at the majority of Ireland’s carers who keep the country going. Without them we could not have an economy but most of them do not qualify for anything. The Government has not looked at the disability payment request, which amounts to very little at €20.

There was mention of 5 million additional home care hours and it is hard to deal in millions, although we are getting used to it now with the monopoly money. Translating that, somebody with a husband with senile dementia is trying to survive on ten home care hours per week. I am ashamed of my salary when somebody is in such a position and I tell them that there will be 5 million additional hours, although I am not sure where they fit into the equation.

I tried in vain to see one mention of domestic violence. Could this be explained to me? Many reporters over the past few days have said it is easy for the Opposition to put forward budgets with no costings but what is the cost of not doing something in this regard? We know with domestic violence the direct cost to the economy is €2.5 billion per year but I cannot find any reference to this new Government’s transforming actions dealing with domestic violence. Ireland is obliged to have 472 refuge places but we have 141. There is an epidemic of domestic violence, although the Garda and policing authorities have been brilliant, and I pay tribute to

them. They can only do so much.

In a truly transformative budget, we would not divide people or put in a carbon tax as the main climate action element. Climate action would underpin all our actions in bringing people together. It should not be about dividing rural areas from the city. I am over time and the Ceann Comhairle has been patient so I will stop.

Sitting suspended at 8.10 p.m. and resumed at 8.30 p.m.

Allocation of Time: Motion

Minister of State at the Department of the Taoiseach (Deputy Jack Chambers): I move:

That, notwithstanding anything in Standing Orders, the financial motions by the Minister for Finance shall be moved, and where indicated grouped for the purpose of debate in accordance with the following schedule, and in the case of each resolution the proceedings thereon and any amendments thereto shall be brought to a conclusion by one question, which shall be put from the Chair not later than the times indicated as follows, provided that where the time slot for a resolution is not used, the unused time may be carried forward into the slot for the next resolution: Resolution No. 1 to conclude after 15 minutes; Resolution No. 2 to conclude after 30 minutes; Resolution No. 3 to conclude after 15 minutes; and Resolutions Nos. 4, 5 and 6 to conclude after 50 minutes.

Question put and agreed to.

Financial Resolutions 2020

Financial Resolution No. 1: Tobacco Products Tax

Minister for Health (Deputy Stephen Donnelly): 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 14 October 2020, by substituting the following for Schedule 2 to that Act (as amended by section 39 of the Finance Act 2019 (No. 45 of 2019)):

“SCHEDULE 2

Rates of tobacco products tax

(With effect as on and from 14 October 2020)

Description of Product	Rate of Tax
Cigarettes	Rate of tax at—(a) except where paragraph (b) applies, €356.39 per thousand together with an amount equal to 10.06 per cent of the price at which the cigarettes are sold by retail, or(b) €414.24 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 €414.861 per kilogram.
Fine-cut tobacco for the rolling of cigarettes	Rate of tax at €399.120 per kilogram.
Other smoking tobacco	Rate of tax at €287.812 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 midnight tonight. The increase amounts to 50 cent, inclusive of VAT, on a packet of 20 cigarettes in the most popular price category, together with *pro rata* increases for other tobacco products. The price of a packet of 20 cigarettes in the most popular price category, assuming the full increase is passed through to the final retail price, will increase to €14. The excise duty component of this price will be €8.54 and the total tax, inclusive of VAT, will be €10.97, which represents 78.33% of the price of a packet of 20 cigarettes. The *pro rata* increase on the price of a typical pouch of rolling tobacco will increase by 70 cents to €19.40. The minimum excise duty rate on cigarettes is also increasing so that any pack of 20 that is priced below €11.50 will be subject to excise as if it was priced at €11.50.

Ireland is committed to a policy of high taxation on tobacco to encourage people to quit smoking, particularly younger people. The policy is working. In 2007, 29% of our people were daily smokers. By contrast, the Healthy Ireland Survey figures for 2019 show that the figure has fallen to 14%. Increasing tobacco products taxation is a key public health policy measure to continue this downward trend in smoking rates in Ireland and help us achieve a tobacco-free Ireland by 2025. In terms of revenue raising, the increase in tobacco products tax and the minimum excise duty is estimated to contribute €57 million in a full year.

Deputy Duncan Smith: The Labour Party will not be opposing this resolution. At what point is the benefit of the revenue raised by duties on tobacco outweighed by the increase in counterfeit tobacco, with effects on public health, criminality and all the rest? Is that discussion taking place within any Departments? We probably need to start thinking about that when it comes to this particular old reliable.

Deputy Richard Boyd Barrett: I will be brief. We oppose this. Smoking is a major public health problem. It kills large numbers of people and as a society we should do everything we can to discourage people from smoking, encourage them to break the addiction and get young

people not to take up the habit in the first place. Nonetheless, a lot of people smoke and there are many reasons they do, such as stress. Advertising does not have as much impact as it used to, but a lot of people acquired this addiction when advertising was still around. I do not think people should be punished for an addiction through what is essentially a further regressive charge that disproportionately hits lower income families. We have traditionally opposed this and we will again. I will not go to the trouble of calling a vote, but we will indicate our opposition to the motion when it goes through.

Deputy Brendan Howlin: I would like to amplify Deputy Smith's question. It is now almost a *pro forma* measure to add 50 cent or €1 to the price of cigarettes every year. Nobody objects to it because there is a compelling health issue, but smuggling is a real concern now. This does not just mean criminality. We do not know the contents of illegal cigarettes, which are extensively sold in housing estates throughout the country. There is a lot of interdiction of cigarettes but this is a really worrying issue. We need a much clearer messaging system to reach the 14% of our people who are heavy smokers and the cohort of occasional smokers who may be added to that. We are down to a core of people who need to be reached and helped by supplying free therapy, medication or whatever is needed to finally break that addiction. My colleague, Deputy Smith, is right. There has to be some limit to simply using pricing as a weapon. Education is important and we have very good education systems, but we are not reaching that final cohort. I am interested in hearing what the Minister is going to do about it.

Deputy Stephen Donnelly: I thank the Deputies. I will address Deputies Smith and Howlin at the same time as their questions had a similar message. Deputy Boyd Barrett also raises a similar point. I can provide figures on the illicit trade, but let us put it aside for a second. I was asked if there are other ways to reach people and whether this affects lower income households disproportionately. The answer to both questions is "Yes". One of the things we have done in the budget is to increase the Healthy Ireland budget by €20 million. It has quite effectively tackled issues around alcohol, tobacco and addiction. I fully agree that it cannot just be about pricing. What we know about increasing pricing is that it works. It is an elastic product and the evidence from Ireland and around the world shows that pricing is a very effective way of reducing its usage. It is particularly effective among younger people, who are one of the groups we wish to target. I fully agree with the Deputies that it should not be the only measure. We need to invest in Healthy Ireland and preventative care.

Deputy Brendan Howlin: People who do not wish to pay the tax may choose to purchase illicit cigarettes.

Deputy Stephen Donnelly: That is a fair point. I have figures before me relating to the illicit trade. Deputy Duncan Smith asked whether the Government has considered the point at which the benefit of the revenue brought in by duties on tobacco is outweighed by the increase in counterfeit tobacco and the associated effects. Health officials and finance officials consider the fact that when we increase the tax and the price goes up, it increases the volume of illicit trade. The briefing note I was provided for this session shows that the volume of illicit trade in roll-your-own tobacco is increasing. That is something we need to consider. Tackling it probably involves an investment in customs, justice and enforcement, as well as in Healthy Ireland and awareness.

On the facts and figures, the consumption of illicit and non-Irish duty paid cigarettes in 2018 stood at 22% of the market, which is a sizeable chunk. That figure comprises 13% illicit cigarettes and 9% illegally imported. In 2019, the Revenue Commissioners seized 13.4 million

cigarettes worth approximately €8.59 million, which is a sizeable amount. The total cigarette consumption in Ireland last year is estimated to have been 2.769 billion cigarettes or 138 million packs. An estimated 15% of cigarette packs or approximately 415 million illicit cigarettes were consumed last year, representing a notional tax loss of €242 million. This is serious stuff. Furthermore, there has been an apparent increase in the illicit market for roll-your-own tobacco. It is estimated that illicit roll-your-own cigarette packs accounted for 12% of the market in 2019, at a cost to the Exchequer of €22 million in excise and VAT.

On the point made by Deputy Howlin, what is also relevant is that the estimated tax loss for cigarettes and roll-your-own tobacco is viewed as a notional loss in Exchequer tax revenue as it assumes that the illicit cigarettes consumed would displace the equivalent quantity of full duty-paid cigarettes, which is unlikely to be the case.

I am happy to provide the Deputies with any further briefings on the taxation side, the illicit trade, or indeed, my own area of Healthy Ireland. There is much good work that could be done. If Deputies Boyd Barrett or Duncan Smith have ideas about ways in which we could reach other groups and support them in public health ways, I and the Healthy Ireland team would be very interested to hear those ideas. If they wish to meet me in the coming days, I am more than happy to set something up.

Question, “That Financial Resolution No. 1 be agreed to”, put and declared carried.

Financial Resolution No. 2: Excise - Mineral Oil Tax

Minister for Children, Disability, Equality and Integration (Deputy Roderic O’Gorman): 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 14 October 2020—

(a) in section 96(1B), by substituting “A is the amount to be charged per tonne of CO2 emitted, being €33.50 in the case of petrol, aviation gasoline, and heavy oil used as a propellant or for air navigation or for private pleasure navigation, and €26 in the case of each other description of mineral oil in Schedule 2A” for “A is the amount, €26, 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 14 October 2020)

Description of Mineral Oil	Rate of Tax
Light Oil:	

Description of Mineral Oil	Rate of Tax
Petrol	€619.36 per 1,000 litres
....Aviation gasoline	€619.36 per 1,000 litres
....	
Heavy Oil:	
Used as a propellant	€515.38 per 1,000 litres
....Used for air navigation	€515.38 per 1,000 litres
.... Used for private pleasure navigation	€515.38 per 1,000 litres
.... Kerosene used other than as a propellant	€65.74 per 1,000 litres
.... Fuel oil	€95.05 per 1,000 litres
....Other heavy oil	€117.78 per 1,000 litres
....	
Liquefied Petroleum Gas:	
Used as a propellant	€106.07 per 1,000 litres
....Other liquefied petroleum gas	€42.48 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 14 October 2020)

Description of Mineral Oil	Rate
Light Oil:	
Petrol	€77.52 per 1,000 litres
....Aviation gasoline	€77.52 per 1,000 litres
....	
Heavy Oil:	
Used as a propellant	€89.66 per 1,000 litres
....Used for air navigation	€89.66 per 1,000 litres
.... Used for private pleasure navigation	€89.66 per 1,000 litres
.... Kerosene used other than as a propellant	€65.74 per 1,000 litres
.... Fuel oil	€80.27 per 1,000 litres
....Other heavy oil	€70.42 per 1,000 litres
....	
Liquefied Petroleum Gas:	
Used as a propellant	€42.48 per 1,000 litres
....Other liquefied petroleum gas	€42.48 per 1,000 litres
....	
Vehicle gas:	€5.22 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).

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 midnight tonight. The increase amounts to €7.50 per tonne of CO₂ emissions. Assuming the full increase is passed through to the final retail price, this will result in a VAT-inclusive increase of 2.1 cent on the price of a litre of petrol and 2.4 cent on the price of a litre of auto diesel.

The carbon tax was implemented on a phased basis from 2009. The current rate is €26 per tonne of CO₂ emission and is applied to fossil fuels. This increase will bring the rate to €33.50 per tonne. There is a commitment in the programme for Government to increase the carbon tax to €100 per tonne by 2030. This is to be achieved by a series of annual increments of €7.50 from 2021, with a final increase of €6.50 in 2030. In terms of revenue raising, the increase in the carbon tax is estimated to contribute €108 million in 2021 and €147 million in a full year.

An Leas-Cheann Comhairle: There is a limited amount of time and ten speakers have indicated, so I ask Deputies to be brief.

Deputy David Cullinane: In that spirit, I will keep my contribution to approximately two minutes in order to allow other Members in. I oppose the resolution on the basis that it includes an increase in the carbon tax. I wish to see this State and, indeed, this island become greener and cleaner, but I do not wish for that to be done at the expense of hard-working families, those who are in fuel poverty or those at risk of fuel poverty. The problem I have with the resolution and, indeed, the proposal of the Government in respect of the increase, is that if the increase in the carbon tax is locked in, it will be locked in for each year for several years, but what have not been locked in are the mitigating measures referred to by the Green Party in the course of the general election campaign.

I am especially concerned for those who live in rural Ireland. They do not have access to public transport and, as such, depend on the car. I am concerned about older persons who need to heat their homes, but will do so to a lesser extent if the Government keeps increasing the carbon tax. I am concerned that, once again, nowhere near enough funding is provided in the budget, despite some advances, for public transport, retrofitting and all the alternative measures which need to be put in place. I am afraid this carbon tax increase will hit many hard-working families hard. It will be a regressive measure. The Economic and Social Research Institute, ESRI, has repeatedly stated it is regressive. Nothing in the budget that I can see makes this a progressive measure. It will hit the lowest income families hardest and that is something neither I nor my party can support. For that reason, we will be opposing this financial resolution.

Deputy Pádraig Mac Lochlainn: I urge the Minister to think about the average working family in rural counties such as County Donegal. Such a family typically has a car that is six, seven or eight years old. Those living in Donegal who wish to travel to a job or a place of study cannot do so by public transport. As such, they must drive a car and fill it with diesel or petrol. The average family in such areas cannot afford an electric car. God forbid. It is just out of reach. Even if they could afford such a car, it would not be practical because of the infrastructure in Donegal. The Government is penalising people who do not have an alternative.

Many people whose home is heated by oil, coal or turf do not have the money to retrofit their home, such as by installing solar panels. In this case, the Government is again penalising people who do not have an alternative. The objective which the Government wishes to achieve is not affordable, so it is penalising people who cannot afford it. The people who will benefit from the increase are the wealthier in society.

This is an ill-thought out and lazy policy. The Government could go after the heavy polluters in society but it is not doing so in an effective way. Any representative of rural Ireland worth their salt who looks at the full spectrum of options available to people in rural Ireland must oppose this proposition. It is a no-brainer for a representative of rural Ireland to oppose this financial resolution.

Deputy Denis Naughten: I am opposed to this carbon tax structure because it fails to differentiate between those who can avoid paying this tax and those who do not have any choice but to pay it. Carbon taxes must be about driving change to a more sustainable country which is far less dependent on imported fossil fuels. It is not supposed to be about increasing Government income. It is about getting people out of cars and onto buses and trains.

I strongly believe that those living in rural areas, 37% of our population, do not have alternatives available to them, particularly in relation to public transport, and thus cannot avoid paying this tax. In addition, this tax is also regressive in that those living in rural communities will pay far more in carbon tax than those living in urban areas and yet the people living in our cities will have jobs locally and alternative transport solutions available to them. By the time 2030 comes along and we have a carbon tax of €100 per tonne, half the households in Dublin will be paying less than €9.11 per week in transport costs when the Dublin Bus subsidy is taken into account while rural commuters will be paying €39.50 a week - up to four times more being paid by people who do not have an alternative available to them than by those with a bus passing their door every few minutes.

When one looks at the heat aspect of this, based on current rates a typical rural household will pay €1 more per week in 2030 than those living in Dublin. In practical terms, the difference will be greater because the Government will subsidise carbon removal from the gas network through biomethane whereas families in rural areas will have to borrow substantially to move away from oil.

A congestion charge designed around motor tax would be a far more effective tool in moving those who can from their cars onto public transport. The alternative, which I put forward, would be to use the national car test and revise that regime to provide for an actual emissions profile of individual vehicles. That would treat rural areas - people driving long distances - far more fairly because they will have a much lower emissions profile than vehicles on congested streets. It would act as an effective congestion charge in this country and would encourage the retrofitting of vehicles and the use of alternative fuels.

We need to look at taxation models in this country that suit an Irish situation, rather than copying and pasting a model coming from continental Europe that will not drive the type of change we need to see here.

This penalises 37% of our population who live in rural areas and do not have alternative modes of transport. They are not getting their broadband delivered more quickly on foot of today's announcement and they are not being provided with any new supports to work remotely.

As a result, I will be opposing this provision.

Deputy Brendan Howlin: We have very little time to deal with what is a very important resolution before us. I will try to be as brief as I can.

The Labour Party fully participated in the all-party committee on climate change. We subscribed, after immense amounts of work by all parties, to its conclusions. Part of that, a comprehensive suite of measures, was an increase in carbon taxes. That is why we will not resile from that now. That is the acid test of seriousness about altering the build-up of carbon in the atmosphere and we must play our part in that. Part of that deal was that its cost would not be borne by people who could not afford it. That was the deal. We proposed not only a ring fence for the increases in carbon taxes but that the full carbon taxes would be rebated to those who needed them most, and that there would be a national retrofitting programme.

Those of us who strongly support the integrated strategy to achieve our greenhouse gas emission targets will find it difficult if the mitigation that was promised is not delivered upon and this particular set of proposals will undermine public support for that. There is a notion that it is enough to give a tokenistic increase in social welfare free fuel, but there are hundreds of thousands of low-paid workers who will not benefit from that and there are people who cannot avail of public transport, etc. We need to have the spirit of the all-party committee commitments met in full. We will support this tonight but we will need to return to this issue.

Deputy Richard Boyd Barrett: I am amazed at the disconnect that seems to exist between the Green Party - and to be honest, the position the Labour Party has just announced - and the reality that huge numbers of working people inhabit. There is nothing discrediting the climate change agenda more than these kinds of regressive taxes. The Greens are signing their own death warrant with this kind of stuff. I am amazed it does not get through to them how damaging this is to the climate action agenda when climate action means punishing working people who are struggling. A group I talk about all the time is the taxi drivers, who are on their knees. The Minister wants to increase their fuel costs, which is hardly a good way to get them on board for the climate agenda.

Musicians are a group that many people were talking about. Does the Minister know how most jobbing musicians get to jobs when they are available? They drive around the country. That is how they do it. Even more of them will have to do it after the Government cuts the Expressway routes. It is unbelievable that one of the first actions of the Green Party in government is to cut back on public transport - exactly what the party did on the previous occasion in the Fianna Fáil-led Government when it cut the Dublin Bus budget. Do they really think this is the way to endear people to the climate action agenda that we need urgently? Where is the just transition in this? It is only a token that never gets acted upon.

It is just a stupid mistake that does incredible damage to the climate action agenda when the Government should be putting forward policies where climate action will make a better life for the majority who are struggling, delivering the retrofitting programme that would reduce their heating bills and delivering the additional and subsidised public transport that will make moving around the place easier and cheaper. I hope at some stage they will cop on. We will be opposing this.

Deputy Claire Kerrane: I, too, want to voice my opposition and that of my party to this regulation. Last week, I raised the growing issue of energy poverty. We all know that energy

prices and bills have increased. We have seen an increase in the public service obligation levy. Electric Ireland customers saw an increase earlier this month and now we have a further increase of €7.50 in carbon tax. A fuel allowance today of €3.50 pales in comparison when we look at the mounting utility bills and, indeed, debt that many workers and families are facing. I am still waiting for the Department's report on the impact of increases in the carbon tax on low-income families. Of course, we all know what that impact is but the report still has not seen the light of day. That speaks for itself.

From midnight tonight, every driver in the State will be impacted by increases in diesel and petrol. This measure will be felt nowhere more greatly than in rural areas. The alternatives, as has been said, are not there. There are no public transport links and in many cases, it is not safe to walk or cycle. Aside from the suggestion by the Minister, Deputy Eamon Ryan, that we can all maybe carpool in rural areas, there has been no regard whatsoever for the impact of this increase on rural towns and villages and there has been no alternative. Briefly, I will give an example of the public transport we are dealing with in rural areas. I was dealing with a college student. She is taking up a course in Tubbercurry, 40 minutes down the road. To get to college for 9 a.m., she would have to get the LocalLink bus from Frenchpark at 4.30 a.m., get to Charlestown, and wait there for two and a half hours for a connecting bus to Tubbercurry. That is the level of public transport we have in rural areas. If everyone in the morning could buy an electric car, the charging points and infrastructure are not there anyway.

Farmers will be extremely penalised by this measure. In relation to increased costs, we all know they are already struggling. This increase will lead to further hardship. It will lead to further energy poverty. That is why we are opposing it here this evening.

9 o'clock

Deputy Paul Murphy: Who else supports carbon taxes? Big oil: ExxonMobil in the US lobbies in favour of a carbon tax. It does that because it knows that carbon taxes are not effective, because they want to deflect from the kind of green new deal programmes that have been put forward by AOC and others in the US and because they want to discredit the environmental movement. They want to associate it, not with a green new deal and socialist policies that transform people's lives for the better while tackling climate change, but with making people's lives harder.

The agenda of big oil is to hang on to the trillions of dollars of wealth that they have on their accounts, which if humanity is to survive in a way that we recognise, has to become worthless or much of it must become worthless because they cannot take the oil out of the ground. They are trying to avoid those things and they support a carbon tax for that reason. Carbon tax will not work from the perspective of addressing climate change. I have given the example of Norway earlier and I could also give the example of British Columbia where carbon taxes and a recession combined brought a maximum of a 2% reduction in carbon emissions. It is estimated to do what we need to do with carbon taxes would take 110 years. We do not have 110 years, we have ten years. Market mechanisms will not deliver the change that we need. The only way we can deliver that change in the timeframe we have is through state intervention, public ownership and planning.

Finally, I make the obvious point of how regressive are these charges. In ten years time, we are talking about a carbon tax alone of €250 for a tank of heating oil. The demand for these carbon-based products is inelastic because people do not have alternatives. If someone is liv-

ing somewhere where he or she does not have public transport and does not have the money to buy a new car, the person cannot avoid it and the tax simply sits on top of them. It avoids what needs to be done.

An Leas-Cheann Comhairle: I do not mean to interrupt but there are nine speakers and I want to make sure that everyone gets in. The time is down to a minute if Deputies can manage.

Deputy Mattie McGrath: The Leas-Cheann Comhairle understands rural life and her constituency. This is a three-card trick by the Greens, Fianna Fáil and Fine Gael. They tell us this money will be ring-fenced for projects to deal with a just transition. Just transition, my eye. Tell that to the woman trying to heat her cottage in the country, whether in Tipperary or any place, tell it to the farmer trying to cut his crop, the exporter or the lorrymen. I will be shocked if Deputy Verona Murphy supports this because she was lobbying for years with the Irish Road Haulage Association. Tell it to the contractors, Farm Contractors Ireland, to the people who are trying to get transport for their children to go to college, which we are all doing. It is shocking. To put this to the House tonight is blatant blackguarding and demonising of people in poverty, especially in rural Ireland who cannot go anywhere unless they get a taxi or drive. They have no cycle lanes and it is not safe on the roads. This will destroy taxis. What about the bus industry which is already crippled with the pandemic? How will they get back on the road again? How will lorry drivers fill up their diesel tanks? It has all gone up. It is just a cruel, mean, lean trick. I cannot believe that the Greens would pull the wool over the eyes of Fianna Fáil and Fine Gael.

An Leas-Cheann Comhairle: Deputy.

Deputy Mattie McGrath: Obviously it is a Green budget but it is abominable.

Deputy Martin Browne: Sinn Féin will oppose the carbon charge. With today's budget the Government launched yet another attack on rural Ireland. It is only weeks since many people in many parts of Tipperary, in my constituency, such as Cashel, Cahir, Roscrea and Nenagh were told they would soon be without their Express bus service. People in my constituency are limited by this and will be more reliant on their cars which the Government is trying to get rid of. The Government has said to these people that it simply does not care and that it will make it even more difficult and expensive to get around as motor fuel will increase in price courtesy of the carbon tax. The knock-on effect will be increased prices of food for families. The people living in rural Ireland will be the most effected by this. Covid has left most people with less money in their pockets and now the Government is dipping into those pockets to get a bit more. It is wrong and means that some families whose incomes have nose-dived will have to consider getting rid of a second car that they might need for work because it is too expensive to run.

The Government announced investments in DART which is probably needed, but there was no mention of public transport in rural Ireland. What does the Government expect people in my constituency to do? Are they to walk or cycle? This is another needless attack on rural Ireland. I hope the Government is pleased with itself after today.

Deputy Duncan Smith: This is a pill. As Deputy Howlin said earlier, this had to come in line with the other measures recommended by the Joint Committee on Climate Action. If there is any low-hanging fruit in cutting our carbon emissions it is retrofitting houses. This has sadly been left far behind in this budget. Our houses have the highest carbon emissions in Europe, at 60% above the European average. There is nothing in this budget which will turn that around

quickly. That message must be hammered home to the Government. It is letting our climate action targets down with the lack of retrofitting in this budget.

Deputy Michael Collins: This is an attack on every mother and father in rural Ireland who take their children to school and work in rural Ireland. It is an attack on every farmer who is using agricultural machinery. It is an attack on every fisherman out on the high seas using fuel. It is an attack on every person who has home heating oil. It is an attack on every lorry driver delivering goods. The Government has attacked some 37% of the population of this country today. It is an absolute attack on the ordinary people of rural Ireland. I am shocked to hear an Independent Deputy, once the head of the Irish Road Haulage Association, saying she would support this. What a shame. What kind of gravy are these politicians getting? Will the Social Democrats back this? Will the Labour Party back this tonight and turn its back again on the people of rural Ireland? Any Deputy in Cork South-West who backs this is hammering extra taxes and hurt on their own people and the people of the constituency. I will not support this in any shape or form.

Deputy Danny Healy-Rae: I do not subscribe to this notion of climate change. The climate changed going back through the pages of history. I will not go into that but it is a fact and it is well known. This is a savage attack on people in rural Ireland who own a car, maybe an old one, although it has been tested and is legally on the road. It is an attack on old people who have no other way of heating their homes except for oil, briquettes or coal. It is an attack on farmers who cannot stir or move around at all or do anything on their farms or land without a tractor. It is an attack on plant hire and agricultural contractors. It is an attack on hauliers and bus operators. It is trying to force people to buy electric cars. If electric cars were the real deal they are supposed to be and if they were an option, the people of Ireland and the people of rural Ireland are not fools, they would buy electric cars. However they are not a real option. There is one other thing: the battery. More carbon is produced to make and dispose of batteries and it is a danger to the people who drive them if there is an accident. These are the batteries that people objected to in wind farms, where they were stored out in the open and far away. I do not subscribe to this. I will vote-----

An Leas-Cheann Comhairle: Thank you.

Deputy Danny Healy-Rae: I made no deal like the Labour Party. I will make no deal with anyone, only the constituents that I represent in Kerry.

An Leas-Cheann Comhairle: Thank you.

Deputy Danny Healy-Rae: They are the people that I will make my deal with.

An Leas-Cheann Comhairle: Thank you. With Deputies' co-operation everyone will get in to speak but I would like to leave the Minister a little time. Otherwise I will have to bring down the guillotine for the vote at the end. I ask for Deputies' co-operation.

Deputy Rose Conway-Walsh: We already have a carbon tax. Since 2010 we have collected about €3.5 billion on carbon tax. The money has not been ring-fenced for climate change measures. People find it difficult to understand. Some years ago, "Prime Time" interviewed the CEO of the Corrib gas project. He was asked when the company would pay corporation tax. He replied that it might be paid in 20 or 25 years' time. That is one of the problems with this proposal, namely, the little people are being taxed all the time.

Another problem is the lack of alternatives in rural Ireland. The House has spent weeks debating school transport, yet we are forcing parents to drive their parents to school because they cannot get a seat on the bus. A large societal divide is emerging between the haves and the have nots. A broad-brush approach to carbon taxation runs the risk of negatively impacting a large swathe of society without a guarantee that there will be any positive behavioural change or positive impact on the environment. That is why we are opposing this tax - it has not been rural proofed. Had we adopted the legislation proposed by Deputy Martin Kenny last year, legislation would have to be rural proofed.

Deputy Michael Fitzmaurice: How any rural Deputy could support this baffles me. Any working couple in rural Ireland who needs a car or to heat a house will be at least €300 worse off next year. That amount will increase year on year until the difference compared with someone living in a city reaches approximately €40 per week. There are no alternatives. Show me where there is an electric tractor that will bale, mow and put out slurry for farmers.

Be they in a city or the countryside, people must remember that all food travels by lorry and that, although some lorries are moving to gas, lorries usually burn diesel. In rural Ireland, many people drive cars that cost €7,000 or €8,000. An electric car probably costs €35,000 minimum.

We are now telling farmers that we will screw them more. The Government will probably claim that, in light of double taxation, a farmer will not pay this, but the reality is that farmers pay that price to contractors, who do 90% of their work.

An Leas-Cheann Comhairle: I thank the Deputy.

Deputy Michael Fitzmaurice: Let the Government not twist and turn out of this. We are crucifying rural Ireland while also asking it to sequester this so-called carbon.

An Leas-Cheann Comhairle: There are a number of Deputies remaining. In fairness to the Minister, we need to allow him a few minutes, but we will run out of time. I ask that Deputies only make quick contributions. I cannot stop people, so I will ask for their co-operation.

Deputy Bríd Smith: To deny climate change is to bury one's head in the sand. We have seen the hottest September on record and wildfires from the Amazon to Siberia. Climate change is real and it is here.

To say that this increase is a rural versus city issue is wrong. There are people in Cherry Orchard and other working class estates who are freezing cold tonight because the €100 that was forwarded to them during the lockdown by An Bord Gáis is being taken back from them for their card meters at a rate of 60%. They top up a card meter by €20 and get €8 back. People cannot sustain that sort of attack. With the increase next year, there will be a hefty increase in their energy bills. We are hitting the wrong source. We made this point throughout the committee's discussions. This and the previous Governments have never conducted research into fuel poverty and energy poverty in rural and urban Ireland. It needs to be done before this Government even contemplates hitting the wrong source instead of global corporations.

Deputy Danny Healy-Rae: People will have to go to the bog.

Deputy Darren O'Rourke: This carbon tax is brutal, punitive and a lazy cop-out. It is a failure by the Government to take the hard decisions and to tackle the root causes, the big polluters and the issues of poverty, including energy poverty. It is also a failure to provide alterna-

tives. There is the equivalent of a two and a half-year wait for the warmer homes scheme. Were one to join the queue today, 8,000 people would already be on the list. With approximately 3,000 houses being processed per year, that represents a wait of two and a half years. Even if someone wanted to do his or her part, he or she would not be in a position to do so thanks to the Government.

These increases look like they will be nailed on, but the so-called offsets like fuel allowance are not nailed on in any shape or form. It is a damning indictment of the Government.

An Leas-Cheann Comhairle: I thank the Deputy.

Deputy Darren O'Rourke: Transport workers in particular, including taxi drivers and private bus operators, will feel the pain of this. It is disproportionate and unfair.

An Leas-Cheann Comhairle: With the House's permission, I will give the Minister two minutes to respond. I was going to give him four. There are no rules. There are three Deputies remaining and only three minutes left. I ask for just a quick comment each. It is impossible to get all of them in, so I ask for their co-operation.

Deputy Michael Healy-Rae: Tonight will be remembered as one of the most vicious attacks on rural Ireland that has ever been seen. It is a fact that this will affect everything. When living in rural Ireland, everything has to be transported on wheels. Only two weeks ago, the House debated the forestry industry. That timber is being drawn on our roads on diesel vehicles. The food that goes to our shops and supermarkets is delivered by diesel lorries. That is the way it is. Those vehicles cannot be replaced by battery vehicles in the timeframe that the Government has outlined. This will mean that the cost of living will increase significantly.

An Leas-Cheann Comhairle: I call the final two Deputies for a brief comment each.

Deputy Ruairí Ó Murchú: This is straightforward - carbon tax is an attack on rural Ireland and poor people. As has been stated, it is utterly lazy. People have no alternatives and the Government has offered none. This is a failure. Unless someone has €100,000 to pay for a high-end car, he or she will not see the benefit. That is just the way it is.

Deputy Carol Nolan: Green policies and agendas will cost the country dearly. That is particularly evident in the midlands where many industries have ground to a halt and there have been significant job losses. Here we are again seeing an unfair carbon tax being imposed on people. As the Independent Farmers of Ireland stated today, this is a pay cut for farmers and contractors. It is regressive for rural Ireland, which is being punished for the sake of an aspirational and impractical agenda.

Deputy Roderic O'Gorman: I thank the Deputies who contributed. I agree with Deputy Howlin, in that supporting the implementation of the carbon tax is the acid test of our seriousness as a country in tackling climate change. Over the course of the next ten years, the carbon tax's application will help us to achieve 15% of our CO₂ emission cuts compared with a situation where we did not apply it.

Deputies have made valid points regarding the importance of seeing that the carbon tax is implemented in a progressive way where its revenue is used to fund mitigation measures. I will take the opportunity to discuss the measures that will be funded as a result of the increase that has been decided upon. An additional €100 million will be invested in residential and

community efficiency, starting with social housing. We will provide €100 million to enable the retrofitting of social housing.

(Interruptions).

Deputy Roderic O’Gorman: It will finance a range of important and targeted social protection interventions,-----

(Interruptions).

Deputy Roderic O’Gorman: -----some of which are particularly relevant to my Department in the context of increases in the qualified child payment, those being, €2 per week for children under 12 years of age and €5 per week for children over 12 years of age.

Deputy Mattie McGrath: They cannot get a bus.

Deputy Roderic O’Gorman: It will lead to a €5 increase in the living alone allowance and a €3.50 per week increase in the fuel allowance. Those are the social welfare measures that will be funded as a result of this measure.

A number of Deputies raised the issue of rural Ireland. It is important to note that €20 million of the revenue will be used to pilot environmental programmes in agriculture, which is a recognition of the precarious nature of the incomes of many farmers and the importance of supporting farmers in making this change.

Deputy Danny Healy-Rae: The Government is looking after the farmers all right.

Deputy Michael Fitzmaurice: Is there fresh water with that?

Deputy Mattie McGrath: The Government is removing the bus service in Tipperary.

Deputy Roderic O’Gorman: Is the Leas-Cheann Comhairle indicating that I must conclude?

An Leas-Cheann Comhairle: I am afraid so.

Deputy Roderic O’Gorman: The overall impact of this measure has to be seen in the context of a range of programme for Government commitments, some of which are being financed today, for example, the increased investment in LocalLink so that we can provide rural public transport, which has not been adequately provided for by previous Governments, and an increase in the public service obligation payment so that we can deliver BusConnects and improved public transport, put money into retrofitting schemes and support farmers in making the change to allow them to farm in a less carbon-intensive manner.

An Leas-Cheann Comhairle: The time allowed for this part of the debate has expired.

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

<i>The Dáil divided: Tá, 91; Níl, 53; Staon, 0.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Stاون</i>
<i>Berry, Cathal.</i>	<i>Andrews, Chris.</i>	
<i>Brophy, Colm.</i>	<i>Barry, Mick.</i>	

Dáil Éireann

<i>Browne, James.</i>	<i>Boyd Barrett, Richard.</i>	
<i>Bruton, Richard.</i>	<i>Brady, John.</i>	
<i>Burke, Colm.</i>	<i>Browne, Martin.</i>	
<i>Burke, Peter.</i>	<i>Buckley, Pat.</i>	
<i>Butler, Mary.</i>	<i>Canney, Seán.</i>	
<i>Cahill, Jackie.</i>	<i>Clarke, Sorca.</i>	
<i>Cairns, Holly.</i>	<i>Collins, Joan.</i>	
<i>Calleary, Dara.</i>	<i>Collins, Michael.</i>	
<i>Cannon, Ciarán.</i>	<i>Conway-Walsh, Rose.</i>	
<i>Carey, Joe.</i>	<i>Cronin, Réada.</i>	
<i>Carroll MacNeill, Jennifer.</i>	<i>Crowe, Seán.</i>	
<i>Chambers, Jack.</i>	<i>Cullinane, David.</i>	
<i>Collins, Niall.</i>	<i>Daly, Pa.</i>	
<i>Costello, Patrick.</i>	<i>Donnelly, Paul.</i>	
<i>Cowen, Barry.</i>	<i>Ellis, Dessie.</i>	
<i>Creed, Michael.</i>	<i>Fitzmaurice, Michael.</i>	
<i>Crowe, Cathal.</i>	<i>Funchion, Kathleen.</i>	
<i>Devlin, Cormac.</i>	<i>Gould, Thomas.</i>	
<i>Dillon, Alan.</i>	<i>Guirke, Johnny.</i>	
<i>Donnelly, Stephen.</i>	<i>Harkin, Marian.</i>	
<i>Duffy, Francis Noel.</i>	<i>Healy-Rae, Danny.</i>	
<i>Durkan, Bernard J.</i>	<i>Healy-Rae, Michael.</i>	
<i>English, Damien.</i>	<i>Kenny, Gino.</i>	
<i>Farrell, Alan.</i>	<i>Kenny, Martin.</i>	
<i>Feighan, Frankie.</i>	<i>Kerrane, Claire.</i>	
<i>Fitzpatrick, Peter.</i>	<i>Mac Lochlainn, Pádraig.</i>	
<i>Flaherty, Joe.</i>	<i>McDonald, Mary Lou.</i>	
<i>Flanagan, Charles.</i>	<i>McGrath, Mattie.</i>	
<i>Fleming, Sean.</i>	<i>McNamara, Michael.</i>	
<i>Foley, Norma.</i>	<i>Mitchell, Denise.</i>	
<i>Gannon, Gary.</i>	<i>Munster, Imelda.</i>	
<i>Grealish, Noel.</i>	<i>Murphy, Paul.</i>	
<i>Griffin, Brendan.</i>	<i>Mythen, Johnny.</i>	
<i>Harris, Simon.</i>	<i>Naughten, Denis.</i>	
<i>Haughey, Seán.</i>	<i>Nolan, Carol.</i>	
<i>Heydon, Martin.</i>	<i>O'Donoghue, Richard.</i>	
<i>Higgins, Emer.</i>	<i>O'Reilly, Louise.</i>	
<i>Hourigan, Neasa.</i>	<i>O'Rourke, Darren.</i>	
<i>Howlin, Brendan.</i>	<i>Ó Broin, Eoin.</i>	
<i>Humphreys, Heather.</i>	<i>Ó Laoghaire, Donnchadh.</i>	
<i>Kehoe, Paul.</i>	<i>Ó Murchú, Ruairí.</i>	
<i>Lahart, John.</i>	<i>Ó Snodaigh, Aengus.</i>	
<i>Lawless, James.</i>	<i>Pringle, Thomas.</i>	

<i>Leddin, Brian.</i>	<i>Quinlivan, Maurice.</i>	
<i>Lowry, Michael.</i>	<i>Ryan, Patricia.</i>	
<i>MacSharry, Marc.</i>	<i>Smith, Bríd.</i>	
<i>Madigan, Josepha.</i>	<i>Stanley, Brian.</i>	
<i>Martin, Catherine.</i>	<i>Tóibín, Peadar.</i>	
<i>Matthews, Steven.</i>	<i>Tully, Pauline.</i>	
<i>McAuliffe, Paul.</i>	<i>Ward, Mark.</i>	
<i>McConalogue, Charlie.</i>	<i>Wynne, Violet-Anne.</i>	
<i>McEntee, Helen.</i>		
<i>McGuinness, John.</i>		
<i>McHugh, Joe.</i>		
<i>Moynihan, Aindrias.</i>		
<i>Moynihan, Michael.</i>		
<i>Murnane O'Connor, Jennifer.</i>		
<i>Murphy, Catherine.</i>		
<i>Murphy, Eoghan.</i>		
<i>Murphy, Verona.</i>		
<i>Naughton, Hildegarde.</i>		
<i>Noonan, Malcolm.</i>		
<i>O'Brien, Darragh.</i>		
<i>O'Brien, Joe.</i>		
<i>O'Callaghan, Cian.</i>		
<i>O'Callaghan, Jim.</i>		
<i>O'Connor, James.</i>		
<i>O'Dea, Willie.</i>		
<i>O'Donnell, Kieran.</i>		
<i>O'Donovan, Patrick.</i>		
<i>O'Dowd, Fergus.</i>		
<i>O'Gorman, Roderic.</i>		
<i>O'Sullivan, Christopher.</i>		
<i>O'Sullivan, Pádraig.</i>		
<i>Ó Cathasaigh, Marc.</i>		
<i>Ó Cuív, Éamon.</i>		
<i>Ó Ríordáin, Aodhán.</i>		
<i>Rabbitte, Anne.</i>		
<i>Richmond, Neale.</i>		
<i>Ring, Michael.</i>		
<i>Shanahan, Matt.</i>		
<i>Sherlock, Sean.</i>		
<i>Shortall, Róisín.</i>		
<i>Smith, Brendan.</i>		
<i>Smith, Duncan.</i>		

<i>Stanton, David.</i>		
<i>Troy, Robert.</i>		
<i>Varadkar, Leo.</i>		
<i>Whitmore, Jennifer.</i>		

Tellers: Tá, Deputies Brendan Griffin and Jack Chambers; Níl, Deputies Mattie McGrath and Pádraig Mac Lochlainn.

Question declared carried.

Financial Resolution No. 3: Value Added Tax

Minister for Children and Youth Affairs (Deputy Roderic O’Gorman): I move:

(1) THAT the rate of value-added tax on the supply of certain goods and services at present chargeable at the rate of 13.5 per cent be decreased to 9 per cent of the amount on which tax is chargeable in relation to the supply of certain goods and services from 1 November 2020 to 31 December 2021 and that accordingly, subsection (1)(ca) of section 46 of the Value-Added Tax Consolidation Act 2010 (No. 31 of 2010) be amended to extend the application of the rate of 9 per cent to goods or services of a kind specified in paragraphs 3(1) to (3), 7(b) to (e), 8, 11 and 13(3) of Schedule 3 to that Act.

(2) THAT this Resolution shall have effect on and from 1 November 2020.

(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 provides that certain goods and services that are currently liable to VAT at 13.5% will be subject to a VAT rate of 9% from 1 November 2020 until 31 December 2021. This will mainly affect the supply of restaurants and catering services, guest and holiday accommodation and various entertainment services such as admissions to cinemas, theatres, museums, fairgrounds and amusement parks.

VAT at 9% will also apply to hairdressing and certain printed matter such as brochures, maps, programmes and magazines. Newspapers and sporting facilities that were already at 9% will be maintained at that level.

The total cost of this measure is estimated to be €401 million for the 14 months it is to be introduced. It is estimated that it will cost €336 million in 2021, with a further €65 million in 2022. The measure is being introduced in the context of the unprecedented challenges facing this sector, within which many businesses remain closed for now, and those that are open are operating at significantly reduced capacity.

The reduced rate is provided for until December 2021 to support businesses throughout 2021 when, hopefully, our economy and our society can start to return to some form of normal-

ity.

Deputy Róisín Shortall: Obviously we need to support businesses during this difficult period but there are problems with this approach. I am not going to vote against this resolution but the Government could have provided supports in a more targeted way. The first point is that the employment in the sectors affected by this VAT change tends to be of very poor quality. I repeat the point we made during the last period of a reduced VAT rate that if a benefit like this is to be given to this sector, it should be contingent on improving the working conditions of staff. People working in the hospitality sector are among the poorest paid and have the most precarious type of employment with the lowest level of protections and it would be fair enough to make this VAT reduction contingent on improving both pay and conditions.

The second point is that there are more effective ways of supporting this sector. If the businesses involved are not generating turnover, then a reduction in VAT is not much good to them. It probably would have been better to introduce some kind of voucher system to encourage all of us to spend more in this sector, thus generating business and improving the lot of the industry rather than reducing VAT on a very low level of activity. That would have been a better way. There are lots of people whose incomes have not been impacted and who need to be encouraged to spend more in areas like this.

There are questions as to how targeted this approach is and what businesses are included. It has been confirmed this evening that hairdressers are included but it is not clear whether spas and beauty salons are covered. The Minister should provide clarity on that point. Overall, this is a very blunt instrument. I do not see why periodicals and magazines would get the benefit of a VAT reduction. It would have been possible to introduce a more targeted and more effective measure to help this sector. It is also important that workers in this sector are given some protection.

Deputy Brendan Howlin: This particular measure to reduce the VAT rate on the hospitality sector to 9% was a measure that former Deputy Michael Noonan and I introduced to deal with the last economic crisis that we were facing but that was a different crisis. We were trying to encourage people into restaurants and so on but we now have a public health policy that prevents that. In that context, it is debatable how impactful this will be in the short term and it is quite an expensive mechanism, at €401 million. I agree that conditionality is required here. My colleague, Deputy Nash, reintroduced legislation underpinning sectoral employment orders to ensure decent standards for those working in this very vulnerable sector who are among the lowest-paid in the country. It should be a condition of receipt of this level of support that employers are required to engage with the trade union movement and that a standard minimum wage be agreed for the sector. I hope these issues will be taken into account when this particular benefit is given.

Deputy Michael Fitzmaurice: I hope this measure works but if people are not going into these businesses because of the restrictions, it will be fairly difficult to pinpoint the figure involved. I support the measure but have a specific question on it. Hairdressers are included but it is my understanding that if a hairdresser and a beauty salon are operating on one premises, the VAT rate for one service will be 9% and 13.5% for the other. I ask the Minister to clarify that because there is a question mark over it.

Deputy Michael Healy-Rae: On behalf of restaurants, tourist accommodation, cinemas, theatres, museums, historic houses, open farms, amusement parks, hairdressers and producers

of certain printed matter, I welcome this measure even though it is too little, too late. Since the VAT rate was increased from 9% to 13.5%, I, on behalf of those who have lobbied me, together with other Deputies have been continuously seeking to have it reduced. It is ironic that it is now being reduced at a time when the majority of these fine businesses have their doors closed. The Government could have gone further but having said that, I welcome the fact that it recognises the crisis in this sector and acknowledges the need for this support. This reduction has been sought by the vintners, the Irish Hotels Federation and all of those involved in the hospitality sector. However, the Government must start listening to the lobby groups that lobbied for this cut in the past and must be more proactive rather than reactive.

Deputy Mattie McGrath: We are closing the stable door after the horse has bolted. I acknowledged the value of the original VAT cut when it was introduced by the then Ministers, Michael Noonan and Deputy Howlin, but when the rate was increased again it should only have been increased by 1% or 2% rather than going all the way back up to 13.5%. This resolution is giving a VAT reduction to businesses that are closed. They have been forced to close by the State. It is obviously a panicked, knee-jerk reaction but it should have been done six months ago. The rate should have been reduced to 5% as it was throughout Europe. That would have helped businesses to get up off their knees and get their doors open again. We are playing Tweedledum and Tweedledee and are playing mind games with businesses. How are businesses to reclaim the VAT now? I also hope that beauty salons will be treated the same as hairdressers, as well as the plethora of other service industries involved in weddings and so forth including hotels, musicians and so on. This is too little, too late and the rate should be dropped to 5%.

Deputy Michael Collins: I spoke about this in my earlier contribution on the budget. I come from the constituency of Cork South-West, where tourism is of the utmost importance, providing 270,000 jobs. Seven or eight months ago, when Covid-19 first struck, I called for a reduction in VAT for the tourism sector to 0%. I got support from other politicians in Cork, some of whom argued it should be reduced to 5%. Now it is being reduced to 9% when every business is closed. These businesses were fighting for their very survival during the summer and this measure would have been of great help. It would have provided a cushion or support to them in trying to get through what was a shocking tourist season. I know of businesses from Kinsale all the way up to Crookhaven and Goleen that are in deep trouble. Jobs have been lost and doors are shut. While the €55 million boost for the tourism sector is to be welcomed and I will not be voting against this resolution, I am very frustrated. The rate should have been reduced to 5% months ago which could have saved a lot of businesses.

Deputy David Cullinane: It is fair to say that the hospitality sector has faced an economic tsunami. Everything and anything that can be done to support bars, restaurants and hotels should be done. Obviously I support this VAT reduction which we called for in our alternative July stimulus and our alternative budget. The Government went for what can only be described as a discredited stay and spend initiative, which unfortunately has not worked. It also cut the 23% rate, which has not been enough for the hospitality sector. The Government also cut the wage subsidy scheme, especially for low-paid workers, many of whom are in the hospitality sector. It has not done enough in terms of providing direct grants towards the fixed costs associated with hotels, bars and restaurants. The tsunami facing the sector is very serious and the situation will remain the same for some time to come because of the restrictions.

An Leas-Cheann Comhairle: Thank you Deputy.

Deputy David Cullinane: I represent a party with 37 Deputies. I know that the Leas-

Cheann Comhairle wants to allow as many speakers as possible to contribute but we had three or four speakers from a group with only six Deputies so if I could finish-----

An Leas-Cheann Comhairle: I cannot stop the Deputy but am just asking for his co-operation because there are two more speakers indicating.

Deputy David Cullinane: I understand that but we had four speakers from a group of six and I am representing a party of 37. I will finish by saying that much more needs to be done for the hotel and hospitality sector. We all know, including those in government, that the sector has been very badly hit and we must go much further than this VAT cut, which will not be enough.

Deputy Brendan Griffin: I very much welcome this reduction in the VAT rate, which is critical to the entire hospitality sector at this time. Contrary to what some speakers have said, this is very important for those operators, particularly as they plan for 2021. Amidst so much uncertainty, that certainty in regard to the VAT rate is important and is appreciated by a huge number of people who have been in contact with me this evening to express their gratitude to the Government for this measure.

I remind the House that those of us who supported this measure back in 2011, when it was initially introduced as a short-term measure although it ended up being there for seven years, saw at first hand what a huge impact it had in terms of restarting and giving a great stimulus to Irish tourism at that time. At this time and in the time ahead, this measure is very important. I call on every Member of the House to support it and to see it exactly for what it is, which is a huge boost to Irish tourism and to all the operators who are struggling at the moment. It will not solve all of the problems, but it is certainly a key factor contributing to the recovery that will come for Irish tourism. It is one measure among many that have been put in place by the Government that will help operators the length and breadth of this country, urban and rural, to get back on their feet again and to make Irish tourism a success into the future.

Deputy Peter Fitzpatrick: I welcome the introduction of the reduction in VAT. Coming from a Border area that has been struggling for a long time with Brexit and the coronavirus, I hope the Government will also consider the issue of the general rate of VAT. With regard to manufacturing and industry, I have been speaking to many retailers in Dundalk who are competing against Northern businesses and they believe it is very important that we look at the general rate of VAT. There are manufacturers and shops in Dundalk for which the full rate of VAT makes everything very expensive. It is very important that we all get our shoulder to the wheel and help one another. This measure was badly needed and the hospitality sector will really appreciate it. Nonetheless, I ask the Government to also consider reducing the general rate by 2% or 3% for the next 12 to 18 months to give retailers an opportunity to compete with everybody else.

Financial Resolution No. 3 agreed to.

An Ceann Comhairle: I understand we are dealing with Financial Resolutions Nos. 4 to 6, inclusive, together.

Financial Resolution No. 4: Corporation Tax

Minister for Children and Youth Affairs (Deputy Roderic O’Gorman): I move:

(1) THAT section 288 of the Taxes Consolidation Act 1997 (No. 39 of 1997) be amended, in subsection (3C), by substituting “incurred before 14 October 2020 on the provision” for “incurred on the provision”.

(2) THAT paragraph (1) of this Resolution shall have effect as on and from 14 October 2020.

(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. 4 ensures that Ireland’s tax regime for intellectual property, IP, is consistent with international best practice with effect from tonight. As Deputies are aware, tax relief for the cost of capital assets used for the purpose of a trade is generally provided through the capital allowances regime. Like many other countries, Ireland has since 2009 granted capital allowances on certain intangible assets which a company manages, develops or exploits. These IP allowances encourage substantive activity and high quality employment in Ireland.

The IP allowance rules are more restrictive than normal capital allowance rules and similar reliefs in other countries in some respects. However, the operation of the balancing charge mechanism has been identified as being less restrictive than most, but not all, other jurisdictions with similar reliefs. At present, no clawback of capital allowances arises where an intangible asset is disposed of after five years and the disposal proceeds exceed the cost not yet relieved through IP allowances. This differs from the treatment of a disposal within five years where any such excess would be treated as a taxable receipt to a company. Therefore, the Minister is moving to address this issue by amending section 288 of the Taxes Consolidation Act 1997 to provide that all intangible assets acquired from tonight will be fully within the scope of balancing charge rules.

It is not anticipated that this amendment will give rise to significant additional tax revenue, given the current profile of claims as shown in Revenue data. Revenue understands that the type of intellectual property typically situated in Ireland includes items such as patents on pharmaceutical products. The value of this type of asset declines as the patent runs out and as the asset is depreciated in the company’s accounts. Nevertheless, this is an important change to bring our rules in line with those applying internationally. It signals our commitment to taking action where it is needed and, given the type of measure, it is logical to implement it by way of financial resolution. This financial resolution will allow this change to take legal effect after tonight to ensure Ireland’s tax regime for intellectual property, together with the broader corporation tax regime, remains competitive, legitimate and sustainable. I commend the resolution to the House.

An Ceann Comhairle: I call the Tánaiste, Deputy Leo Varadkar, to deal with Financial Resolutions Nos. 5 and 6.

Tánaiste and Minister for Business, Enterprise and Innovation(Deputy Leo Varadkar): I propose to speak on Financial Resolutions Nos. 5 and 6.

Financial Resolution No. 5 is an anti-tax avoidance measure. It provides that section 541 of the Taxes Consolidation Act 1997, that is, Act No. 39 of 1997, be amended with respect to disposals made on or after 14 October 2020, by insertion of a new subsection (6A). The purpose of this amendment is to correct an anomaly recently identified by the Revenue Commissioners

whereby the same foreign currency transfer between accounts held by the same person has the potential to create significant capital gains tax, CGT, losses which could then be used to offset CGT gains, even though there is no economic loss.

It is not possible to cost this matter accurately other than to say that one example of which the Revenue Commissioners are aware to date involved the transfer of sterling between different accounts generating a CGT loss of approximately €3 million. Our concern is that if this anomaly is not corrected, it may facilitate the generation of further CGT losses, thus reducing overall tax revenue, whereas these losses did not really occur.

Because of the nature of this tax anomaly, a financial resolution is considered necessary. In order to provide certainty and to avoid creating any window of opportunity for the avoidance of transactions, we would like this to be done before business tomorrow morning.

Financial Resolution No. 6 is an amendment to section 629 of the Taxes Consolidation Act 1997 and relates to interest and deferred payments of the exit tax. The resolution provides for a technical amendment to the exit tax regime for companies introduced in budget 2019 as part of our commitments under the EU anti-tax avoidance directive, ATAD. The exit tax provisions impose a charge to tax on unrealised gains arising where a company migrates its residence or transfers assets offshore such as it leaves the charge to Irish tax. In accordance with ATAD, companies have the right in certain circumstances to pay the exit tax in equal annual instalments over five years and interest applies over the period of deferral.

This provision makes a technical amendment to the interest charging provision to ensure that it operates as intended and this change is being introduced by financial resolution to bring immediate clarity to this charging provision. I commend it to the House.

An Ceann Comhairle: Again, I wish to make clear that we are considering Financial Resolutions Nos. 4 to 6, inclusive. I call Deputy Boyd Barrett.

Deputy Richard Boyd Barrett: Financial Resolutions Nos. 5 and 6 seem fine to me. However, I want to express concern about Financial Resolution No. 4. The main mechanism through which some of the wealthiest corporations in the world avoid tax is through the category of intangible assets, such as patents on intellectual property, whereby big multinationals pay for the use of their own patents. For example, one subsidiary of a company pays another subsidiary of the same company for the use of its own patent and, by doing that, it can write down its profits. Effectively, it can charge itself whatever it likes.

10 o'clock

If the sales and revenue of a company such as a pharmaceutical or IT company amount to €1 billion, it can decide that one of its own subsidiaries will charge it €900 million for the use of that patent, thus writing down its tax liability to virtually nothing. It is essentially a way in which big multinationals are allowed and facilitated to write their own tax bills. It is why the 12.5% tax rate, itself one of the lowest corporate tax rates in the world, is a complete joke. The big multinationals do not pay anything close to that because of their exploitation of this category of intangible assets.

I recommend that any economics nerds take a look at the table produced by Revenue every year with regard to corporate tax deductions, reliefs and allowances. The table covers approximately two pages in very small print and lists approximately 100 tax reliefs. Buried

in this tiny print is a line on intragroup transactions. The intragroup transaction relief granted in the latest available figures totalled €16 billion. This is an increase from the previous year's figure of €9 billion and that of the year before, which was approximately €6 billion. One can see exponential growth in the tax reliefs being claimed in respect of intangible assets through these intragroup transactions, which is to say transactions between different subsidiaries of the same multinational corporation designed to write down taxable profits to negligible levels in order to pay no tax.

How does this measure in the budget book, which is very ill-explained, fit in to that scandalous picture? I invite Deputies to look at the briefing note in the Estimates book. It is three lines long and tells one absolutely nothing. We do not know what this measure does. It relates to balancing charges in some way but we do not know which way it will balance matters. Does it balance them in favour of the multinationals and allow even more assets into this category in order that already negligible tax liabilities can be written down even further?

This is the scandal of budgets and of economies in the modern world, including the Irish economy. While we spend all of our time discussing the crumbs, some of which we have to beg for such as the pandemic unemployment payment or additional expenditure on health or education, the cake is in this little document produced by Revenue, namely, its list of tax reliefs.

People need to understand the scale of this. In the last available figures, one can see that €189 billion was accumulated in pre-tax gross profits, the tax liability in respect of which amounted to approximately 5%. To put that figure of €189 billion in pre-tax gross trading profits in context, it is up from approximately €79 billion in 2010. Pre-tax corporate profits have more than doubled over the last ten years. That is absolutely extraordinary when these companies are paying approximately 5% tax on average. Of course, the big corporations that can exploit the category of intangible assets to avail of tax deductions or allowances to write down their tax liabilities are paying far less than 5%.

It is an utter scandal. They are not only robbing the people of this country but ordinary people all over the world. It is the major contributor to growing global inequality between rich and poor and the staggering, astonishing and shameful concentration of wealth in the hands of a tiny number of corporations owned by multibillionaires whose wealth is beyond the imagination of normal human beings. We are a major facilitator of such activity. The category of intangible assets is the key facilitator allowing these companies to do this. This motion has something to do with that although, interestingly, it has been explained in three lines that tell one absolutely nothing. I am deeply suspicious. I wonder who knows about this. Does the Minister who introduced the motion even understand it? It would be helpful to get an explanation of what it actually does. I am suspicious and, unless I hear a good explanation from somebody, I am inclined to vote against it.

Deputy Paul Murphy: I would like the Minister to come back and explain what is happening here in some detail. The explanatory note we were sent, to which Deputy Boyd Barrett referred, simply says that the resolution amends the balancing charge rules in section 288 of the Taxes Consolidation Act 1997 to ensure that Ireland's tax regime for intellectual property is fully consistent with international best practice. That is just not good enough when asking people to vote on something important tonight. We get this note and are then expected to vote on the measure.

The resolution relates to the section in the Taxes Consolidation Act 1997 on balancing

charges. Balancing charges are effectively the opposite of a capital allowance. They reduce the amount of tax relief of which a company can avail. The section, before being amended by this proposal tonight, says “a balancing charge shall not be made by reference to a wear and tear allowance made to a company [...] in respect of capital expenditure incurred on the provision of a specified intangible asset” within certain meanings. This is to be changed to “in respect of capital expenditure incurred before 14 October 2020 on the provision of a specified intangible asset”. It draws a line and prevents the future operation of this effective exemption to balancing charges being made.

From my reading, it probably does cut off a certain tax loophole, although I would like the Minister to explain and clarify exactly how this measure works. If, however, it is to do what it purports to do, it would probably have significant financial implications so I wonder why a figure is not attached with regard to the money to be raised by it. It would be helpful to get some detail as to how this is to work.

Deputy David Cullinane: I do not have the same concerns as the previous two speakers with regard to Financial Resolution No. 4. I see it as an anti-tax avoidance measure. In fact, a balancing charge is a means of making sure a company does not claim tax relief on the costs of an asset. It is a clawback mechanism and so is a good measure to put in place to ensure that multinational companies do not use tax avoidance or similar measures to offset against the taxes they should pay. To use the words of the Minister for Finance, it “will ensure that our tax regime for intellectual property [...] remains competitive, legitimate and sustainable”.

What I do find interesting about this measure, however, is that it comes a number of days after my colleague, Teachta Doherty, was attacked by the Tánaiste for recommending exactly the same thing. Teachta Doherty proposed a very similar measure, which came from the same expert review panel set up by the former Minister for Finance, Michael Noonan, in 2017. The Tánaiste got a rush of blood to the head when he saw Teachta Doherty talking about corporation tax and, instead of trying to understand what was being said, went into attack mode, which backfired. I do, however, welcome that Fine Gael has recently had some sort of conversion with regard to the introduction of anti-tax avoidance measures. If it was not for Teachta Doherty, some of the previous speakers and others, measures of this kind would not be looked at. These measures are important. The measure Teachta Doherty proposed would have raised an additional €720 million. That could have been used to better support our hospitality sector, spend more on public housing stock or for better services in health and other areas.

It is the same with Financial Resolutions Nos. 5 and 6. They are also important measures. Over recent budgets, and again this evening, we have pointed out that the special assignee relief programme, SARP, allows high-income employees, on salaries of up to €1 million a year, to reduce their income tax bills by up to €111,000 each year. That reduces their tax rate down to 28%, while many workers on middle incomes pay tax at 40%. These types of tax relief should, therefore, be reduced.

We have seen a drip feed of measures, such as these, in the last several budgets. I welcome them and they are a welcome departure from the rhetoric we used to get from Fine Gael in recent years. It used to be a case of depicting the sort of tax avoidance measures that were in place as not existing, not being there or that we were reading too much into the situation. We were not, we have been vindicated and we welcome the Tánaiste, Deputy Varadkar, and his party having a late conversion to closing these loopholes and that they are, at least, making some effort to do so. I congratulate my colleague, Teachta Doherty, and others, who have been putting

the Tánaiste and his colleagues under pressure on this issue.

An Ceann Comhairle: Does the Minister, Deputy O’Gorman, or the Tánaiste wish to contribute? We will hear the Tánaiste first and then the Minister, Deputy O’Gorman.

Deputy Leo Varadkar: I take it that there are no objections to Financial Resolutions Nos. 5 and 6, which are anti-tax avoidance and technical measures. The same goes for Financial Resolution No. 4, to which Deputy Cullinane referred. To avoid any confusion, this is an anti-avoidance measure and a technical measure. The Government is proposing and supports it, and it is very much in line with what we have been doing in recent years, whether that is abolishing the concept of stateless corporations or removing the double Irish. There is no conversion. In the different Governments of which I have been a member, going back to 2011, we have always sought the close tax loopholes. When clever tax lawyers find ways around our tax laws, we then find clever ways around them. Deputy Howlin can attest to that, so there is no conversion here at all. We have been doing this since 2011.

What Deputy Doherty proposed was quite different. It was an additional tax of €720 million on multinational corporations. We are not proposing that tonight. That would be a very different proposal and it is one with which I respectfully disagree. Why do I disagree with it? It is because I think we should have learned something from the past 12 years. We are experiencing the second recession in 12 years. This is a very different type of recession but one thing has been constant in these two recessions, and that is that the strength of our multinational corporations has helped Ireland recover.

The first recession concerned a banking crash and a construction and property bubble that went bust. We were lifted out of that recession by our multinational corporations, which kept employing people, exporting and paying taxes. I refer also to other traded sectors, such as tourism and agri-food. The reason why our economy has only shrunk this year by about 2%, which is much less than other countries, is because of the strength of our multinational corporations, such as the technology companies, the pharmaceutical companies and the medical device companies.

Those are the companies that have been making a lot of money during this period because people have needed their services. If it was not for those companies, and the taxes they pay and the people they employ, we would be in a much worse position today. If Sinn Féin was in office, leading a Government, or if we had a Government of the left in Ireland, I have no doubt but that our country would be less attractive to those companies and that they would be elsewhere. With them would go the investment, the jobs and the taxes, and there would be less money for health, education and everything else that we found money for today.

Deputy Roderic O’Gorman: I will try to address some of the issues raised by Deputies. Following on from what the Tánaiste has said, these measures are in the context of wider reviews of corporate tax regimes and the wider process of ongoing corporate tax reform in recent years. This has been taking place internationally and at a European and OECD level. A part of those endeavours has involved an examination of capital allowance measures.

In that context, Revenue officials here conducted an informal review of the publicly-available information and data concerning tax bases in different jurisdictions, and examining, in particular, tax reliefs for intangible assets in 15 other countries. That was designed to ascertain a degree of best practice across those countries, and it identified that the Irish IP allowance re-

gime was more restrictive in comparison with other jurisdictions in some respects. Regarding the operation of the balancing charge mechanism, however, which we are talking about this evening, it was identified that the Irish regime in this regard was less restrictive than most, but not all, of the comparator countries. The main reason for that was that, at present, where an intangible asset is disposed of after more than five years, it is then outside the scope of a balancing charge.

The Minister is moving to address that situation through this resolution and to ensure that Ireland's IP allowances are consistent with international best practice. As a result, section 288 of the Taxes Consolidation Act 1997 is to be amended to provide that all assets acquired after tonight will be fully within the scope of the balancing charge rules. The measure we are introducing, therefore, will bring certain disposals into the charge to tax, so this is broadening out that applicability.

Deputy Paul Murphy asked if this will lead to a significant increase in revenue. It is not expected that there will be, given the current profile of claims demonstrated by Revenue data. The Revenue understands that the type of intellectual property typically situated in Ireland includes items such as patents on pharmaceutical products, and the value of those types of assets declines as the patent runs out and the asset is depreciated in the company's accounts. As we are extending this measure to IP older than five years, the values of those patents probably will have declined at this stage and that is why it is understood that there will not be a significant financial revenue windfall from this measure. The primary reason this measure is being introduced, however, is to ensure that our tax regime for intellectual property, as part of our broader tax regime, will remain competitive, legitimate and sustainable.

An Ceann Comhairle: Deputies Paul Murphy and Cullinane are indicating again. I take it they want to make additional points. I call Deputy Paul Murphy.

Deputy Paul Murphy: Yes, but only briefly. I thank the Minister, Deputy O'Gorman, for that explanation, which satisfies me in respect of Financial Resolution No. 4.

I will make a brief point in response to what the Tánaiste has said. I refer to the idea that loopholes are just found by very smart lawyers and then are very quickly closed by the Government, as it moves to stop any kind of tax avoidance. That is patently ridiculous and is not what happens. That is like the Cayman Islands claiming to have slipped and fallen, and then accidentally having become a tax haven.

The loopholes are created. We have a budget today which has measures extending a very definite loophole, namely, the knowledge development box. That is what that initiative is; it is a loophole for corporations to avoid and minimise their taxation. That is a fact, and the double Irish was similarly created. It is clearly part of the unfortunate developmental model being pursued by Fianna Fáil and Fine Gael to position Ireland in a particular role in a chain of global tax avoidance. It is not the Cayman Islands, it is something different, but Ireland very definitely plays a role in major multinational corporations minimising, to an extreme degree, the amount of tax that they pay. In the process, those corporations are robbing not just the people in this country but people around the world, including those in some of the poorest countries on the planet.

That is not an accident but a conscious policy being pursued by the Government. The Tánaiste is correct in stating that that is a policy that a Government of the left would bring to an

end. Such a Government would also insist, at a minimum, that the corporations pay the taxes that they are supposed to and, yes, it would increase the amount of tax paid by those multinational corporations, rather than hitting ordinary people. The Tánaiste thinks that is a political choice that just cannot be made and that is crazy. He thinks it is, however, okay to cut the PUP. He does not think there is a problem with doing that, but he does think that it is impossible to go after the corporations and the massive profits that they make.

Deputy David Cullinane: What we are dealing with in these resolutions is closing tax loopholes. Deputy Doherty proposed closing a tax loophole that essentially allows for multinational companies to offset capital allowances against 100% of their profits on intangible assets, which would raise €720 million. This loophole is very similar to some of those the Government now claims credit for closing and in respect of which the Tánaiste says it was not converted. At times, the Tánaiste represents everything he claims those on the left and those he opposes represent. He spouts right-wing populism and throws out the sound bite that Sinn Féin is against multinational companies. I have many friends and family members who work for multinational companies. Neither I nor my party would take any action that would put those jobs at risk. The Tánaiste knows full well that my party has not advocated an increase in the 12.5% corporation tax rate. However, we believe that multinationals should pay their fair share and that the tax loopholes should be closed.

The Tánaiste rushed for his base instinct when he heard Deputy Doherty again advocate that a tax loophole, of which only multinational companies can avail, be closed. He got a rush of blood to the head and did not fully understand exactly what was being called for. If he did understand, as he now claims, that is even worse because I do not understand how anyone could support this loophole which allows multinational companies to offset their capital allowances against 100% of their profits made from intangible assets. This is simply about making sure multinational companies cannot avail of additional loopholes, on top of the fact that many of them do not actually pay the 12.5% corporation tax rate. Many ordinary working people out there pay 40% PAYE on their earnings and many on very low incomes also pay tax. We all have to pay our taxes, including multinationals. It is very easy for the Tánaiste to sit there and accuse my party of being against business and multinationals when he knows full well that we do not believe the 12.5% should be increased, though other parties on the left have a different view and want to increase corporation tax. We have not called for that and we have said the rate should be maintained because we want to protect jobs. However, we believe corporations should pay that rate and should not avail of these loopholes. We do not make any apology for that.

If the Government had gone for that measure and taken in that €720 million, it would have been in a better position today to reverse some of the cuts it made over the last number of weeks to the PUP, the wage subsidy scheme, protections for renters and so on. That is what the Government has done over the summer months. It wasted the summer by not taking the opportunity to build up capacity in our health service but it certainly did not waste it when it came to attacking ordinary working people and paring back their payments. It could have taken the opportunity of raising this €720 million, although not by raising taxes because that is not what Deputy Doherty proposed. He was not proposing to increase corporation tax. He was proposing to close a loophole, one of many which are similar to those the Government has now tried to take credit for closing, even though it was dragged kicking and screaming on the double Irish loophole and the others. That was not closed because of clever tax lawyers, as the Tánaiste put it, but because of the pressure that came from people in this Chamber and others outside it who told the Government that multinational companies were availing of these loopholes. The

Tánaiste may not have been a Minister at the time but we got the response from Fine Gael time and again that that was not the case, that multinational companies were paying their fair share, that the loopholes did not exist and that they were somehow a figment of our imagination. They were not. We were proven right and the Government had to close some of them but it has not closed all of them. It should take the opportunity in next year's budget to do what an Teachta Doherty has advocated on some of the other loopholes.

Deputy Richard Boyd Barrett: In fairness, people other than Teachta Doherty have been making these points for some time. I am satisfied with the Minister's answer on this resolution. I am glad we have had the debate because I have raised this issue at the Committee on Budgetary Oversight and the finance committee over the past number of years. We never discuss tax reliefs in the same way we discuss expenditure, and we should because they are expenditures of public money in exactly the same way as the budget we discussed today is. They are exactly the same, yet we do not discuss them. Tax reliefs are a shadow budget that the public does not see and I suspect most Deputies are only vaguely aware of it but the scale is absolutely enormous. Just one of the categories in that shadow budget of tax reliefs, namely, intergroup transactions, is the same size as the additional expenditure in the entire budget we discussed today. That was €16 billion according to the most recent available figures. That is huge. There is massive fanfare and debate all over the country today about the fact that additional expenditure of €17 billion has been allocated in the budget, but the amount for just one category in a litany of tax reliefs is €16 billion. That money is all going to between 20 and 30 companies, and it is only one relief.

The research and development tax credit involves an amount of approximately €700 million per year. One would think that such a tax credit is a good idea but would that €700 million be better off going to Google, Facebook, Pfizer, Eli Lilly etc., or being invested in our public universities for research and development purposes? I would love to see a cost-benefit analysis of the benefit that has for society and the economy, particularly given the Covid pandemic, how little money goes into Science Foundation Ireland and how underfunded research is in general.

It is worth noting, because it will not get discussed anywhere else in the budget debate, that the amount of money for health research in the health budget this year is static. There is no change. Is that not interesting? In the midst of a pandemic and when we are desperate for therapies, vaccine research and so on, one would think that a significant additional amount of money would be put into health research but there is not one cent extra. However, hundreds of millions of euro are going into the pockets of some of the big, private, for-profit pharmaceutical and IT companies.

There are other credits that I will not even go into but of the €180 billion pre-tax gross profits for all corporations, tax is only paid on approximately €80 billion. Such is the scale of the reliefs provided. That is a scandal that needs to be addressed and discussed and we need to assess the benefit of those reliefs overall. The point the Tánaiste does not really address is whether we have really looked at what the benefit would be if we redirected some of them elsewhere.

I do not think corporations would run out of this country if they were made to pay the 12.5% tax rate or even a little more. They need to be in the European Union. For the most part, they want to be based in English-speaking countries and there will not be many of those left in the European Union after the exit of Britain, so where would they go running, just because they are made pay 12.5% tax? I do not believe it for a minute. We do not need to get down on our knees and beg these people. They are making an awful lot of money; staggering amounts of

money. It would at least be worthwhile for us to discuss the shadow budget of tax reliefs and allowances as part of these budgets, and whether these public moneys should be expended in boosting public research, public universities, public infrastructure and public services.

Financial Resolution No. 4 agreed to.

Financial Resolution No. 5: Capital Gains Tax

Tánaiste and Minister for Business, Enterprise and Innovation (Deputy Leo Varadkar): I move:

(1) THAT section 541 of the Taxes Consolidation Act 1997 (No. 39 of 1997) be amended, as respects disposals made on or after 14 October 2020, by inserting the following subsection after subsection (6):

“(6A) Notwithstanding subsection (6), a gain or a loss accruing on a disposal of a debt referred to in that subsection shall not be a chargeable gain or allowable loss where the sum standing to the credit of the holder of the account concerned is transferred in whole or in part to another account of that holder in the bank concerned or in any other bank in the same currency.”.

(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. 5 agreed to.

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

Tánaiste and Minister for Business, Enterprise and Innovation (Deputy Leo Varadkar): I move:

(1) THAT subsection (9) of section 629 of the Taxes Consolidation Act 1997 (No. 39 of 1997) be amended, as respects amounts of tax referred to in that section which remain unpaid on or after 14 October 2020, by substituting the following paragraph for paragraph (a):

“(a) Simple interest shall be payable in respect of an amount of tax which is due and payable and which remains unpaid, and shall be calculated, from the specified date to the date of payment, for any day or part of a day during which that amount of tax remains unpaid (and by reference to the outstanding balance of that amount, as distinct from being by reference to an amount of a particular instalment due) at the prevailing rate specified in the Table to subsection (2)(c)(ii) of section 1080.”.

(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).

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Financial Resolution No. 6 agreed to.

Financial Resolution No. 7: General

Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Leo Varadkar): 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 relation to finance.

An Ceann Comhairle: We can adjourn consideration of this until later in the week.

Debate adjourned.

National Surplus (Reserve Fund for Exceptional Contingencies) Act 2019: Motion

Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Leo Varadkar): I move:

That Dáil Éireann authorises the Minister for Finance (the ‘Minister’), pursuant to section 9(1) of the National Surplus (Reserve Fund for Exceptional Contingencies) Act 2019 (the ‘Act’), to transfer €1,500,000,000 (€1.5 billion) from the National Surplus (Exceptional Contingencies) Reserve Fund to the Exchequer’s Central Fund, having regard to the fact that in accordance with section 9(2) and 9(3) of the Act, the Minister, after consultation with the Minister for Public Expenditure and Reform, is satisfied that the transfer is necessary to allow for public expenditure to remedy or mitigate the impact of the COVID-19 virus, which constitutes the occurrence in the State of exceptional circumstances, as defined in section 1 of the Fiscal Responsibility Act 2012.

Question put and agreed to.

Trade Union Representation (Miscellaneous Provisions) Bill 2018: Second Stage (Resumed) [Private Members]

An Ceann Comhairle: I must now deal with a postponed division relating to Second Stage of the Trade Union Representation (Miscellaneous Provisions) Bill 2018, taken on Thursday, 8 October 2020. On the question, “That the Bill be now read a Second Time”, a division was claimed and that division must be taken now.

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

<i>The Dáil divided: Tá, 62; Níl, 84; Staon, 0.</i>		
<i>Tá</i>	<i>Níl</i>	<i>Staon</i>
<i>Andrews, Chris.</i>	<i>Berry, Cathal.</i>	
<i>Barry, Mick.</i>	<i>Brophy, Colm.</i>	
<i>Boyd Barrett, Richard.</i>	<i>Browne, James.</i>	

Dáil Éireann

<i>Brady, John.</i>	<i>Bruton, Richard.</i>	
<i>Browne, Martin.</i>	<i>Burke, Colm.</i>	
<i>Buckley, Pat.</i>	<i>Burke, Peter.</i>	
<i>Cairns, Holly.</i>	<i>Butler, Mary.</i>	
<i>Clarke, Sorca.</i>	<i>Cahill, Jackie.</i>	
<i>Collins, Joan.</i>	<i>Calleary, Dara.</i>	
<i>Collins, Michael.</i>	<i>Canney, Seán.</i>	
<i>Connolly, Catherine.</i>	<i>Cannon, Ciarán.</i>	
<i>Conway-Walsh, Rose.</i>	<i>Carey, Joe.</i>	
<i>Cronin, Réada.</i>	<i>Carroll MacNeill, Jennifer.</i>	
<i>Crowe, Seán.</i>	<i>Chambers, Jack.</i>	
<i>Cullinane, David.</i>	<i>Collins, Niall.</i>	
<i>Daly, Pa.</i>	<i>Costello, Patrick.</i>	
<i>Donnelly, Paul.</i>	<i>Cowen, Barry.</i>	
<i>Ellis, Dessie.</i>	<i>Creed, Michael.</i>	
<i>Fitzmaurice, Michael.</i>	<i>Crowe, Cathal.</i>	
<i>Funchion, Kathleen.</i>	<i>Devlin, Cormac.</i>	
<i>Gannon, Gary.</i>	<i>Dillon, Alan.</i>	
<i>Gould, Thomas.</i>	<i>Donnelly, Stephen.</i>	
<i>Guirke, Johnny.</i>	<i>Donohoe, Paschal.</i>	
<i>Harkin, Marian.</i>	<i>Duffy, Francis Noel.</i>	
<i>Healy-Rae, Danny.</i>	<i>Durkan, Bernard J.</i>	
<i>Healy-Rae, Michael.</i>	<i>English, Damien.</i>	
<i>Howlin, Brendan.</i>	<i>Farrell, Alan.</i>	
<i>Kenny, Gino.</i>	<i>Feighan, Frankie.</i>	
<i>Kenny, Martin.</i>	<i>Fitzpatrick, Peter.</i>	
<i>Kerrane, Claire.</i>	<i>Flaherty, Joe.</i>	
<i>Mac Lochlainn, Pádraig.</i>	<i>Flanagan, Charles.</i>	
<i>McGrath, Mattie.</i>	<i>Fleming, Sean.</i>	
<i>McNamara, Michael.</i>	<i>Foley, Norma.</i>	
<i>Mitchell, Denise.</i>	<i>Grealish, Noel.</i>	
<i>Munster, Imelda.</i>	<i>Griffin, Brendan.</i>	
<i>Murphy, Catherine.</i>	<i>Harris, Simon.</i>	
<i>Murphy, Paul.</i>	<i>Haughey, Seán.</i>	
<i>Mythen, Johnny.</i>	<i>Heydon, Martin.</i>	
<i>Nash, Ged.</i>	<i>Higgins, Emer.</i>	
<i>Nolan, Carol.</i>	<i>Hourigan, Neasa.</i>	
<i>O'Callaghan, Cian.</i>	<i>Humphreys, Heather.</i>	
<i>O'Donoghue, Richard.</i>	<i>Kehoe, Paul.</i>	
<i>O'Reilly, Louise.</i>	<i>Lahart, John.</i>	
<i>O'Rourke, Darren.</i>	<i>Lawless, James.</i>	
<i>Ó Broin, Eoin.</i>	<i>Leddin, Brian.</i>	
<i>Ó Laoghaire, Donnchadh.</i>	<i>Lowry, Michael.</i>	

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<i>Ó Murchú, Ruairí.</i>	<i>MacSharry, Marc.</i>	
<i>Ó Ríordáin, Aodhán.</i>	<i>Madigan, Josepha.</i>	
<i>Ó Snodaigh, Aengus.</i>	<i>Martin, Catherine.</i>	
<i>Pringle, Thomas.</i>	<i>Martin, Micheál.</i>	
<i>Quinlivan, Maurice.</i>	<i>Matthews, Steven.</i>	
<i>Ryan, Patricia.</i>	<i>McAuliffe, Paul.</i>	
<i>Sherlock, Sean.</i>	<i>McConalogue, Charlie.</i>	
<i>Shortall, Róisín.</i>	<i>McEntee, Helen.</i>	
<i>Smith, Bríd.</i>	<i>McHugh, Joe.</i>	
<i>Smith, Duncan.</i>	<i>Moynihan, Aindrias.</i>	
<i>Stanley, Brian.</i>	<i>Moynihan, Michael.</i>	
<i>Tóibín, Peadar.</i>	<i>Murnane O'Connor, Jennifer.</i>	
<i>Tully, Pauline.</i>	<i>Murphy, Eoghan.</i>	
<i>Ward, Mark.</i>	<i>Murphy, Verona.</i>	
<i>Whitmore, Jennifer.</i>	<i>Naughten, Denis.</i>	
<i>Wynne, Violet-Anne.</i>	<i>Naughton, Hildegarde.</i>	
	<i>Noonan, Malcolm.</i>	
	<i>O'Brien, Darragh.</i>	
	<i>O'Brien, Joe.</i>	
	<i>O'Callaghan, Jim.</i>	
	<i>O'Connor, James.</i>	
	<i>O'Dea, Willie.</i>	
	<i>O'Donnell, Kieran.</i>	
	<i>O'Donovan, Patrick.</i>	
	<i>O'Dowd, Fergus.</i>	
	<i>O'Gorman, Roderic.</i>	
	<i>O'Sullivan, Christopher.</i>	
	<i>O'Sullivan, Pádraig.</i>	
	<i>Ó Cathasaigh, Marc.</i>	
	<i>Ó Cuív, Éamon.</i>	
	<i>Rabbitte, Anne.</i>	
	<i>Richmond, Neale.</i>	
	<i>Ring, Michael.</i>	
	<i>Shanahan, Matt.</i>	
	<i>Smith, Brendan.</i>	
	<i>Stanton, David.</i>	
	<i>Troy, Robert.</i>	
	<i>Varadkar, Leo.</i>	

Tellers: Tá, Deputies Denise Mitchell and Pádraig Mac Lochlainn; Níl, Deputies Brendan Griffin and Jack Chambers.

Question declared lost.

The Dáil adjourned at 10.50 p.m. until 10.30 a.m. on Wednesday, 14 October 2020.