

SEANAD ÉIREANN

Déardaoin, 15 Nollaig 2011.
Thursday, 15 December 2011.

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

Paidir.

Prayer.

Business of Seanad

An Cathaoirleach: I have notice from Senator Trevor Ó Clochartaigh that, on the motion for the Adjournment of the House today, he proposes to raise the following matter:

Go dtabharfadh an tAire Oideachais agus Scileanna míniú ar na critéir a úsáideadh maidir leis an gcinneadh a fógraíodh sa bhuiséad chun rátaí fóirne a athrú sna bunscoileanna 1, 2, 3 agus 4 oide, le níos lú ná 86 dalta, cén chaoi a shamhlaítear go gcuirfear na ciorruithe sin i bhfeidhm agus cén fáth gur glacadh an cinneadh sula raibh an tuairisc ar luach airgid sna bunscoileanna foilsithe.

I have notice from Senator Averil Power of the following matter:

The need for the Minister for Education and Skills to outline his rationale for withdrawing teachers allocated under pre-DEIS initiatives such as Breaking The Cycle, thereby significantly increasing class sizes in schools serving some of the most disadvantaged communities, and to provide the House with a list of the schools that will be affected and the number of posts that each of them currently holds under these schemes.

I have notice from Senator David Cullinane of the following matter:

The need for the Minister for Education and Skills to discuss the changes made in the recent budget on staffing levels in Pre-DEIS, DEIS, and other disadvantaged schools; the schools in Waterford that are likely to lose teachers or teaching hours as a consequence of it, and if he has considered the effect these changes will have on the numeracy and literacy levels of students in disadvantaged areas.

I have notice from Senator John Kelly of the following matter:

The need for the Minister for Justice and Equality to outline the rationale for the proposed closure of Tarmonbarry and Loughglynn Garda stations in County Roscommon.

I regard the matters raised by the Senators as suitable for discussion on the Adjournment and they will be taken at the conclusion of business. As Senator Power and Cullinane's matters are similar I suggest that they share time.

Order of Business

Senator Maurice Cummins: The Order of Business is No. 3, motion re allocation of moneys to the Horse and Greyhound Racing Fund, to be taken without debate; No. 1, Social Welfare Bill 2011 — Committee and Remaining Stages, to be taken on the conclusion of No. 3 and to conclude no later than 4 p.m., if not previously concluded; and No. 2, motion regarding the earlier signature of the Social Welfare Bill 2011, to be taken without debate on the conclusion of No. 1. A supplementary Order Paper will issue later today to deal with the Appropriation Bill 2011 and the earlier signature motions for the Appropriation Bill 2011, the Local Government (Household Charge) Bill 2011 and the Financial Emergency Measures in the Public Interest (Amendment) Bill 2011, following receipt of a message from Dáil Éireann as to the passage of those Bills in that House. These will be taken without debate on the completion of the Social Welfare Bill 2011.

Senator Darragh O'Brien: I wish to clarify the procedure with regard to the Social Welfare Bill. Is it correct that the Leader proposes to guillotine that at 4 p.m.?

Senator Maurice Cummins: That is the intention, if we have not finished already. We will review the situation at that time. We have provided more time than allocated in the other House.

Senator Darragh O'Brien: We are far more cerebral in this House and may need a little more time. I oppose a guillotine and ask the Leader to be flexible with the time allowed for the Social Welfare Bill. There are many sections in the Bill and many important issues to be raised. Everyone who wants to contribute to the debate should be allowed to do so.

Yesterday, last week and the previous week, I raised the issue of the mortgage arrears implementation strategy. Almost 10% of household mortgages are in arrears or distressed and the Government promised to produce a mortgage arrears implementation strategy prior to the budget. That has not been done. The Minister for Finance, Deputy Noonan, said he would do it before Christmas. Our recess begins tomorrow. Does the Minister intend to publish it tomorrow or will he do it next week? This is a serious matter and people need to know what the Government will do in response to the Keane report, which is now ten weeks published with no further action emanating from it.

I was surprised to hear the comments of the Minister, Deputy Noonan, yesterday when he took it upon himself in an interview with Bloomberg UK to tell the Irish people that any future referendum would simply be about whether we would be part of the euro. I see that as an oversimplistic view of what would be involved in a referendum. I am not sure how the Minister came to that conclusion when the Taoiseach has told us that the detail of the treaty and the legal advice therein is not available to Government. Does the Minister for Finance know something that the rest of the country does not? If he does, he should at least tell the people. Will the Government give a commitment that, regardless of what legal advice it receives, it will proceed to a referendum on what appear to be fundamental changes to the operation of the European Union, the eurozone and the ECB? Are we to have a referendum and why did the Minister, Deputy Noonan, see fit to comment on Bloomberg UK and not to make those comments in this House? I have rightly made the criticism previously that Ministers should not give press conferences to journalists rather than put out their stall in the Houses of the Oireachtas.

I note that my colleague on the other side of the House, Senator John Kelly, has submitted an Adjournment matter on the issue of Garda station closures and restrictions. I suggest that he should not bother coming in if he is to be treated in the manner in which I was treated yesterday by the Minister for Justice and Equality, Deputy Alan Shatter, which was nothing

short of disgraceful. As part of that, the Minister interestingly informed me that — despite the 41 Garda stations across the country that are to be closed and the ten that are to be restricted, in rural and urban areas — the purpose of the change is not directly to save money. Therefore, the Department has not even costed the closures and it is not being done to save money. However, the Minister blamed previous Governments, right back to the 1950s for the fact that he has made the decision —

An Cathaoirleach: Does the Senator have a question for the Leader?

Senator Darragh O'Brien: Yes, well I advise Senator Kelly — I hope he is watching on the monitor — not to bother coming in and listening to the rebuff the Minister gave me yesterday.

An Cathaoirleach: That is yesterday's business and is not relevant to today's business.

Senator Darragh O'Brien: I ask furthermore——

Senator Ivana Bacik: On a point of order, Senator Kelly is entitled to raise the matter on the Adjournment that Senator O'Brien also raised.

Senator Darragh O'Brien: I am just giving him advice. He should, but if he gets the response I got, he would be better served making a few phone calls.

An Cathaoirleach: Has the Senator a question for the Leader?

Senator Darragh O'Brien: Will the Leader confirm on the question I raised yesterday that in early January we will have a proper debate on the issue of the Garda station closures and restrictions across the country, which are of great concern to citizens throughout the island? This issue needs to be addressed and I hope the Minister will be in better form early in the new year and we may be able to engage properly on the issue.

Senator Ivana Bacik: I agree with Senator O'Brien that we need a debate on the issues around the EU deal done last week and the question of whether we will have a referendum in the new year. I am delighted we will have the opportunity tomorrow, when the Minister of State, Deputy Creighton is here, to try to tease out the question of whether a referendum will be necessary and, if it is to be held, what it will be seen as. I did not hear the Minister for Finance's initial comments, but I read the interview he gave to *The Irish Times* in which he says that the practical politics — the shorthand — will be whether we want to maintain Ireland's position as a eurozone country. We need to tease out whether that is a correct interpretation of how it will be seen and that is a different question to the one as to the content of the referendum. We need more time to debate those issues.

I renew a call for a debate on an issue I raised earlier in the week, on Tuesday, on the ESRI-UCD report on changing family forms. This important report looks at the changing demographic in Ireland and the changing make-up of family and there are political consequences from this. One of these is the need for more flexible work practices and the case for paid paternity leave, even just for a short time, to enable fathers get greater recognition in the workplace. I seek a full debate on this in the new year. I noticed that during the debate on the Social Welfare Bill on Tuesday, the Minister, Deputy Burton, pointed out that the report has implications for social welfare policy and social protection and how payments will be made in the future. A debate on this would be very useful.

I also seek a debate on education. A report from the CSO today indicates that Ireland is joint first in the European Union for third level attainment among those aged between 25 and

[Senator Ivana Bacik.]

34. Some 48% of these have a third level qualification, well above the EU average of one-third. This is interesting and a debate on the issue would be beneficial.

All of us will have huge concerns about the report from the historical inquiries team yesterday, on the Miami showband massacre in 1975, which showed the team found RUC special branch involvement. This is something we need to debate in the House.

Senator Rónán Mullen: I will give a word of advice to the Government through the Leader. It is not the Government's job to pressurise the people on behalf of Europe, but to pressurise Europe on behalf of the Irish people. When I heard of the comment of the Minister for Finance, it struck me that it was a comment very much in the tradition of the kind of spinning that has gone on over the years with regard to referendums on Europe and decisions to be made about European affairs. In other words, the approach that has always been taken has been to find the best way to get the people to do what the Government wants them to do. That is not good enough in the current crisis. What is needed is a much more considered approach. We need to decide as a country what it is practical for us to achieve in our ongoing dealings, not just with the IMF but with the European Union. Only then should the Government come to a recommendation and make a proposal to the people. I do not like this advance spinning on the issue and anything that suggests this will be a referendum on whether we are in or out of the euro comes under the heading of spin.

While I recognise that many difficult decisions are being taken and many people will inevitably be unfairly targeted by budgetary measures, the abolition of the modern languages in primary schools initiative is a mistake.

Senators: Hear, hear.

Senator Rónán Mullen: The initiative costs a paltry €2 million. Someone stated that language was the light of the mind, in that it exposes young people to new horizons and cultures. In recent years, significant work has been done by a small team of people in training and providing resources for teachers in approximately 550 primary schools nationally so that modern languages other than Irish and English can be delivered to students. The initiative also funds approximately 250 visiting teachers.

The Barcelona agreement and the Lisbon strategy called for systems to be in place by 2010 to facilitate the early learning of at least two foreign languages. Given that EU countries ratified recommendations as recently as November of this year and Ireland pledged to increase its efforts to implement the Barcelona agreement, why is this backward step being taken? It is typical of what occurs at a time when efforts are understandably being made to make cuts, but if one has too short-term an approach, one will do serious damage to the future. The decision should be reversed.

Senator Michael Mullins: Will the Leader arrange a briefing from the Minister for Finance, Deputy Noonan, and the Financial Regulator early in the new year on the manner in which Irish banks do business? The matter has two elements. First, banks are failing to lend to small businesses and, in many cases, are not honouring existing overdraft arrangements. As a result of these policies, many small businesses and retail outlets will go to the wall in the new year.

Second, according to Mr. Charlie Weston in this morning's *Irish Independent*, non-commercial customers who are overdrawn on their bank accounts are being treated unfairly by the banks, yet the regulator has no plans to fine the latter. Instead, the Central Bank has directed a number of banks to cease treating customers poorly in terms of current account charges. This is a matter of grave concern to every banking customer. Being briefed by the Minister and the

regulator on how banks propose to do business in 2012 would be appropriate. Unless we do something to free up credit to small businesses, there will be serious consequences for business.

Senator Jim Walsh: Previously, Senator Mullins and others raised the issue of investigation by the Broadcasting Authority of Ireland, BAI, into the abuse of privilege by RTE's "Prime Time Investigates" programme when it libelled Fr. Kevin Reynolds. I am disturbed that the Minister's initiative to order an independent inquiry by the BAI's complaints commission has been siphoned off to a former reporter with the BBC. I have expressed concerns about the BAI and its complaints committee specifically. The inquiry will determine whether the Broadcasting Act was breached by RTE. This is a legal question, not a journalistic one. To be honest, it does not appear that the inquiry will be critical of RTE. Given the fact that the BAI is headed by a former director general of RTE, the level of independence and transparency that I would seek in an important inquiry is not present.

I support Senator Bacik's comments. I attended a press conference yesterday——

An Cathaoirleach: Senator Walsh can only speak on one issue.

Senator Jim Walsh: My comments have been brief. I want to read Des Lee's plea at the Miami Showband press conference.

An Cathaoirleach: Yes, but I cannot allow it. If I allow for one Senator, I must allow for everyone. I am calling other Senators.

Senator Jim Walsh: He pleaded with the Taoiseach and the Irish Government to get the British Government to release the papers relating to the Dublin and Monaghan bombings.

An Cathaoirleach: Senator Walsh is breaking the rules of the House. I call Senator Paul Coghlan.

Senator Jim Walsh: The men, women, children and unborn child who were murdered in the bombing and their families deserve justice.

An Cathaoirleach: Senator Walsh is out of time.

Senator Jim Walsh: Will the party leaders table a motion on the Dublin and Monaghan bombings? This necessary step is long overdue.

Senator Paul Coghlan: Our good friend, Senator Darragh O'Brien, wrongs the Minister, Deputy Noonan. The Minister was upfront and fair on the issue. We are all in the business of protecting the euro. To that end, the intergovernmental agreement concerns tougher new rules. As the Senator knows, the issue will be painted in a simplistic manner. Perhaps his party is guilty in this regard. I suspect he knows that anti-euro forces will want to take us out of the eurozone. No one on the other side of the House wants a return to our currency being tied to sterling. It would be disastrous for trade. Neither would Opposition Members want to return to the punt, given the fact that we could suffer a severe devaluation overnight.

We need total fiscal discipline and proper budgetary oversight. The agreement is concerned with these requirements. I look forward to tomorrow's debate with the Minister of State, Deputy Creighton. Clarifying the details of the agreement could take until March. Until then, the Attorney General will not be able to rule on whether a referendum will be required.

Senator Darragh O'Brien: President Sarkozy stated that we would have it by Christmas.

Senator Paul Coghlan: With all due respect to the Senator, I suspect that he is playing a little game.

Senator Darragh O'Brien: Certainly not.

Senator Sean D. Barrett: This morning, the chairman of the fiscal council stated that he hoped to have his proposals on the promised fiscal responsibility Bill ready by February. Yesterday, we learned that the Department of Finance hoped to have its proposals ready by April. With the agreement of all speakers, we had a wide-ranging and superb discussion on fiscal responsibility yesterday, some three months ahead of the fiscal council's proposals and five months ahead of the Department's. Does the Leader agree that this reflects the superior efficiency of Seanad Éireann in conducting its business compared with other bodies?

Senator Darragh O'Brien: Hear, hear.

Senator Deirdre Clune: My opinions on the question of a referendum are similar to Senator Paul Coghlan's, in that there is no proposal as yet. Last week's political agreement will be transposed into text before Christmas, after which time the Attorney General will make a wise decision. Yesterday, the Minister, Deputy Noonan, discussed what would happen in the event of a referendum.

The agreement is on introducing further fiscal constraint, budgetary oversight, firewalls, etc. Twenty-six member states will consider the proposals. If Ireland holds a referendum, it is clear that our position in the eurozone will be in question, but our membership of the EU will not. Continuing in the eurozone would not be tenable if our people rejected last week's proposals.

Senator Trevor Ó Clochartaigh: Tá cuid mhaith iascairí, beaga agus móra, ar fud na tíre atá ag strachailt leis an tionscal i láthair na huair agus tá cainteanna tábhachtacha le bheith ar siúl sa Bhruiséal maidir le tionscal na hiascaireachta. Bhéadh sé go maith dá bhféadfaimís an t-Aire atá ag plé leis seo a fháil isteach sa Teach chomh luath agus is féidir san ath-bhliain, le plé a dhéanamh ar na socraithe atá déanta maidir leis an tionscal seo.

I call for a debate with the Minister for Agriculture, Food and the Marine, who is visiting Brussels to hear what Commissioner Maria Damanaki has to say about the development of the European fisheries industry.

It is a crucial time for our fishermen. The quota system has been very unfair to them over the years. I wish the Minister well in negotiations on an increased quota. We need a better deal than we got previously. We met delegations from fishermen's organisations in committee meetings and they voiced their concerns about the way the quota system operates and their concerns about the privatisation of quotas, from sovereign quota to an individualised quota that people can buy and trade. Fish production, landing at fishing ports and having it produced and added value, which could create jobs, are other issues. The Minister is fighting his corner on this issue. I would welcome a debate on the fisheries industry with the Minister as soon as possible in the new year.

Senator Catherine Noone: I join Senator Mullins in respect of his comments on the banks. Freeing up credit is a huge issue and, regardless of the hassle banks have with people in difficulties with overdrafts, customers should be treated with the utmost respect by banks, regardless of how much credit or debt they have. The ambiguity with respect to charges and treatment of customers generally by leading banks is reprehensible. People are beside themselves with worry at this time of year because of the way they are being treated. It is not unusual for people to have difficulties with finances and they need to be treated with the utmost respect. Automated systems and irregular charges are a matter of concern and I welcome

Senator Mullins's suggestion that the Minister for Finance comes to the House. We do not need to be involved in the day-to-day running of the banks but if we are large shareholders we need to know that they are doing their business properly and treating people with the respect they deserve.

Senator Brian Ó Domhnaill: I refer to health matters, concerning community nursing units. I attended a meeting in my constituency on Friday night, attended by more than 600 people about the potential closure of Lifford community hospital. The Minister for Health has earmarked 850 beds across the community hospitals for closure. I commend Senator Mary White on the work she has done in representing the needs of older people and the meetings she is attending on this issue. The Minister for Health is distorting the figures, saying the private nursing units are more cost effective than public nursing units. He is not comparing like with like. There are 11 public nursing units in County Donegal and they are working at 70% capacity because of the moratorium on recruitment and because of HIQA. The Department is not willing to make the capital investment required to meet HIQA standards. We need an urgent debate on this issue before community hospitals close. Ultimately, it will be a decision for the Minister for Health and we must inform him that people of Lifford and other areas will not accept their hospitals being closed. I appeal to the Leader to ask the Minister for Health to come to the House today or tomorrow. I propose an amendment to the Order of Business in that regard and I hope the Leader will facilitate the Minister for Health coming to the House today.

An Cathaoirleach: Can the Senator clarify the amendment?

Senator Brian Ó Domhnaill: The amendment is that the Minister for Health come to the House to discuss the nursing home fiasco facing many communities and attacking the elderly. I support Senator Noone in respect of the banking issue. What the banks are doing is a disgrace and the Government is not tackling the issue. It is glossing over it.

Senator David Norris: January will mark the beginning of an important year and a milestone in literary scholarship. The works of James Joyce will partially come out of copyright. They first came out of copyright in 1991 and they were retrospectively reinserted into copyright some years later as a result of harmonisation measures by the EU. I warned the Government and specifically the Minister responsible that this would happen if he did not seek a derogation, as other countries had done for writers in their countries. This was not done here and that was an oversight when the intellectual copyright legislation was introduced. It is understandable but it is regrettable and it caused major complications. There is a significant deposit of materials, including manuscripts and ephemera, in the National Library, next door to this Chamber. The situation regarding copyright is not entirely clear. Every single international leading scholar in the world of Joyce has written to the library and to the Minister asking for clarification. This will be a big story nationally and internationally and I am concerned that the fall-out from it may be negative for this country, the Department and the National Library, for which I have great respect, if clarification is not given. There will be international conferences, including a major one here, and the question of copyright will be the subject. Will the Leader please contact the Minister for Arts, Heritage and the Gaeltacht and the National library and ask for clarification? Every single international Joyce scholar has put their names to letters seeking clarification and they have not received answers.

Senator Mark Daly: I move an amendment to the Order of Business, that No. 14 be taken as the first item of business. I ask the Leader to ask the Minister for Foreign Affairs and Trade to come into the House and have a debate on visas for the Irish in America. The Bill passed

[Senator Mark Daly.]

by the US Congress, by 389 to 15, allows for high-skilled individuals from China and India but not Ireland to be granted visas for the United States. The Irish Lobby for Immigration Reform, led by Ciaran Staunton and assisted by former congressman Bruce Morrison, are trying to table an amendment in the US Senate whereby the Irish will be granted visas as part of the legislation. It is very important for us to allow people to get proper documentation if they decide to emigrate so that we do not have a new wave of undocumented Irish people in the United States. It does not solve the issue for undocumented Irish citizens over there but I ask the Leader to organise a debate so that the Minister comes in and addresses the question of the Government's proposals for the 40,000 undocumented Irish citizens, who cannot come home this Christmas because they will not be able to return to the United States.

Senator Mary M. White: Last night, I attended a public meeting in Ardee, County Louth, organised by Councillor Frank Godfrey and the St. Joseph's action group against the closure of the nursing home in Ardee and the Cottage Hospital. The people of Ardee will be watching "Oireachtas Report" to see the reaction of my colleagues. HIQA has proposed that the St. Joseph's nursing home, Ardee, should be closed. It is a home from home. Two days ago, Professor Des O'Neill reported an increase in elder abuse and I suggest that the proposed closure of St. Joseph's nursing home and the Cottage nursing home is State elder abuse. At the moment I am reading *To Hell or Barbados: The Ethnic Cleansing of Ireland* by Sean O'Callaghan. Sitting at that meeting last night, I thought of Cromwell, Drogheda and County Louth. I really think the Minister for Health is Cromwell. He is evicting people in their 70s, 80s and 90s from the place that has been their home for years. These people are powerless and on Monday this week, and we all remember how cold that day was, residents of St. Joseph's in wheelchairs were left in the rain and cold outside. They were totally shocked. How did they hear about the closure of their nursing home? On the radio. Such coldness is unbelievable. This is elder abuse by the State, it is abhorrent.

An Cathaoirleach: Does the Senator have a question?

Senator Mary M. White: I support Senator Ó Domhnaill's proposed amendment to the Order of Business that Cromwell comes into this House and explains to this House——

Senator Michael Mullins: Withdraw that.

An Cathaoirleach: The Senator should withdraw that remark. She cannot describe the Minister like that.

Senator Mary M. White: I will stand my ground on this.

Senator Michael Mullins: Withdraw that. It is a disgraceful remark.

An Cathaoirleach: The Senator is totally out of order.

Senator Mary M. White: I will not withdraw it. He should not evict people from what has become their home.

Senator Maurice Cummins: A silly remark.

An Cathaoirleach: That is completely out of order.

Senator Mary M. White: It is eviction. The Senators opposite should learn their history.

Senator Tom Sheahan: I know time is limited today and tomorrow but I would like the Leader to set aside time to debate road safety as we approach the Christmas season. There are more pedestrians being killed on the roads now than ever before. If this issue could be highlighted now and we could have a debate before the recess, I would appreciate it. Families who have lost a loved one on the road during the year really feel it more during this festive season so I am calling for a debate on this issue.

Senator Terry Leyden: I second Senator Daly's amendment to the Order of Business and commend Senator Mary White on taking the time to go to Ardee and Drogheda to fight the good fight for the people of that area. It is highly commendable at this time of the year; she has done a tremendous job. She is a Joan of Arc as far as the elderly are concerned.

Senator Mary M. White: I do not want to be burned at the stake.

Senator Catherine Noone: Joan of Arc and Cromwell. Who next? Will we just go back in time altogether?

Senator Mary M. White: Senator Noone should learn her history.

Senator Catherine Noone: I know my history, thanks very much.

Senator Terry Leyden: As the scaffold and the guillotine has been removed from Merrion Lawn, it would be opportune for us in this House to fight for the consideration of European legislation. It was foreseen in the Lisbon treaty that it would be scrutinised by a House of the Oireachtas, not a joint committee. Legislation is not being scrutinised; it is being left alone. If the demise of this House happens there will never be scrutiny again of European legislation. It is the one area where we can scrutinise legislation. Ministers are not needed to scrutinise legislation, it is not their business, it is our business, it is the business of elected representatives. There is a reliance on Ministers, and I appreciate the Leader and previous Leaders always had difficulty in getting Ministers to come into the House. I was a Minister and I know both sides of the coin. We have a great opportunity and I want to put it strongly. The Minister of State, Deputy Creighton, said that she would favour such an approach. This question of staff is irrelevant; we can do our own staffing here, we have the ability and the capacity to deal with European legislation. I am not referring to the Clerk or Assistant Clerk of the Seanad, I am talking about this idea that we must have more staff to support the scrutiny of legislation. That is not necessary. We read the legislation, put forward our points of view, decide on it and refer it back to Europe; it is as simple as that. There is the potential to move staff from other areas of the joint committees if they are not dealing with scrutiny. I am sick and tired listening to this stuff. The Leader can do this and I know he will do it.

The referendum will come and the Government will have a fight on its hands because the people outside will mount a major campaign to ensure this House continues for the future. It would be almost retrograde step in these difficult times if a legislative House was removed and a Government was given more control without scrutiny.

Senator Tom Sheahan: That is Senator Leyden's campaign for Europe launched.

Senator Maurice Cummins: Senator O'Brien raised the question of mortgage arrears and the implementation of a strategy in that regard. Everyone agrees last week was one of the better weeks for mortgage holders when the Government, as part of the budget, introduced and expanded mortgage interest relief for first time buyers during the boom years, the people most likely to be in arrears at the moment. The ECB then cut the rate by 0.25%, which immediately

[Senator Maurice Cummins.]

reduced tracker mortgages and most banks have announced that reductions will be passed on to other categories of mortgage.

Senator Darragh O'Brien: Less than the cut.

Senator Maurice Cummins: The Financial Regulator will also engage with the banks to ensure certain mortgage customers are not being discriminated against when it comes to passing on savings.

There have been other advances with the Keane report. The Minister for Justice and Equality has already undertaken extensive work on the heads of a personal insolvency Bill, as set out in the report, and it will be published shortly. The banking policy unit of the Department of Finance has been requested to begin discussions with the banks to ensure speedy implementation of the measures set out in the Keane report. In addition, the Central Bank, as an independent regulator of financial institutions, has asked all mortgage lenders to produce detailed mortgage arrears resolution strategies and implementation plans as a matter of urgency. The Minister for Finance intends taking action on these issues with Cabinet in early course. I am not privy to whether that will be before Christmas. The Senator can be assured that along with the measures that have been taken already, there will be further measures taken to address that situation.

It would be unwise not to await the legal advice before making any decision on a referendum.

Senator Darragh O'Brien: I agree, that is why I thought the Minister for Finance should have done the same.

Senator Maurice Cummins: Senator Bacik asked about the report on paid paternity leave. This issue can be raised with the Minister for Social Protection, who will be in the House for the next four or five hours; perhaps it can be raised during the debate on that Bill.

Senator Mullen asked about the teaching of modern languages in primary schools. This was a pilot scheme and it is unfortunate that due to cutbacks it must be curtailed. We were not in a position to extend the pilot scheme to other schools but cuts must be made and they hit some areas where people would prefer them not to but we must have measures to bring the public finances back on to a proper footing and that is what the Government intends to have.

Senators Mullins and Noonan asked about lending to small businesses. Credit is the lifeblood of small business and the Government is doing everything possible to ensure credit will flow to small businesses and has instituted a number of plans to ensure this will happen in the future.

Senator Darragh O'Brien: Where is the strategic investment bank?

Senator Maurice Cummins: Senator Walsh asked about the RTE report. We should not second guess the report; we should wait for it to be published before we criticise its contents. Senators Coghlan and Clune asked about the EU crisis. As was stated, the Minister of State, Deputy Creighton, will be in the House tomorrow to address the problem. I am sure we will have many contributors to that debate. I could not agree more with Senator Barrett as regards the efficiency of this House. I compliment him on introducing yesterday's Private Members' Bill.

Senator Ó Domhnaill spoke about Lifford community hospital. I addressed that matter when Senator Harte raised it earlier in the week on the Order of Business. Senator Norris spoke about the works of James Joyce and the problems of copyright. I will certainly try to have the matter clarified by the Minister in early course and I will get back to the Senator on it.

Senator David Norris: I thank the Leader.

Senator Maurice Cummins: I will accept Senator Daly's amendment to the Order of Business on the printing of that Bill.

Senator Mark Daly: I thank the Leader.

Senator Maurice Cummins: It has been seconded this morning. A number of people — Senator Conway in particular — raised the matter of the undocumented Irish on yesterday's Order of Business. We will have the Tánaiste and Minister for Foreign Affairs and Trade in the House in January. Senator Ó Clochartaigh spoke about the Minister for Agriculture, Food and Marine who is on the way to Brussels to negotiate on fishery quotas etc. He will be in the House on 25 January for a debate on the subject.

Senator White spoke about HIQA, which is charged with ensuring that our nursing homes meet the necessary standards our older people deserve. We should remember that proper services and facilities need to be provided for our elderly people and they must meet the standards set by HIQA. I am involved in a nursing home and realise the problems HIQA can make for such homes. At the end of the day proper facilities must be provided and proper procedures must be adhered to in order to ensure the best possible service is provided for our elderly people.

Senator Mary M. White: HIQA has not recommended closure.

Senator Maurice Cummins: Senator Sheahan spoke about road safety, which is an issue particularly at this time of the year. We should all ask everybody to take extra care on our roads coming up to Christmas. There were some very sad deaths on the roads earlier in the week and we expressed our condolences to the relatives of those who lost their lives in tragic accidents in the past week.

Senator Leyden spoke about EU legislation. I am endeavouring to have debates on EU legislation and directives in this House. I have been informed that the majority of the committees are dealing with EU directives and there is no backlog at present.

Senator Jim Walsh: They are just being rubber-stamped; they are not being analysed. We are all members of committees and know that.

Senator Maurice Cummins: We certainly would need secretarial resources if we were to do that, but I have no objection and will pursue the matter if I can.

An Cathaoirleach: Senator Ó Domhnaill has proposed an amendment to the Order of Business: "That a debate on the proposed closure of community nursing homes be taken today." Is the amendment being pressed?

Senator Brian Ó Domhnaill: Yes, because we need the Minister in the House.

Amendment put.

The Seanad divided: Tá, 18; Níl, 33.

Tá

Barrett, Sean D.
Byrne, Thomas.
Crown, John.
Cullinane, David.
Daly, Mark.
Leyden, Terry.

MacSharry, Marc.
Mooney, Paschal.
Mullen, Rónán.
Norris, David.
Ó Clochartaigh, Trevor.
Ó Domhnaill, Brian.

Tá—*continued*

O'Brien, Darragh.
O'Donovan, Denis.
Quinn, Feargal.

Walsh, Jim.
White, Mary M.
Wilson, Diarmuid.

Níl

Bacik, Ivana.
Bradford, Paul.
Brennan, Terry.
Burke, Colm.
Clune, Deirdre.
Coghlan, Paul.
Comiskey, Michael.
Conway, Martin.
Cummins, Maurice.
D'Arcy, Jim.
D'Arcy, Michael.
Gilroy, John.
Harte, Jimmy.
Hayden, Aideen.
Healy Eames, Fidelma.
Heffernan, James.
Henry, Imelda.

Higgins, Lorraine.
Keane, Cáit.
Kelly, John.
Landy, Denis.
Mac Conghail, Fiach.
Moloney, Marie.
Moran, Mary.
Mulcahy, Tony.
Mullins, Michael.
Noone, Catherine.
O'Keeffe, Susan.
O'Neill, Pat.
Sheahan, Tom.
van Turnhout, Jillian.
Whelan, John.
Zappone, Katherine.

Tellers: Tá, Senators Paschal Mooney and Brian Ó Domhnaill; Níl, Senators Paul Coghlan and Susan O'Keeffe..

Amendment declared lost.

An Cathaoirleach: Senator Mark Daly has proposed an amendment to the Order of Business: “That No. 14 be taken before No. 3.” The Leader has indicated that he is prepared to accept the amendment.

Senator Maurice Cummins: Yes.

Amendment agreed to.

Order of Business, as amended, agreed to.

NAMA and Irish Bank Resolution Corporation Transparency Bill 2011: First Stage

Senator Mark Daly: I move:

That leave be granted to introduce a Bill entitled an Act to provide that, in the interests of transparency, all relevant details of loans, properties, or other assets offered for sale by or with the approval of NAMA or the Irish Bank Resolution Corporation be available to the public by means of publication on a website.

Question put and agreed to.

An Cathaoirleach: When is it proposed to take Second Stage?

Senator Mark Daly: Tomorrow.

Second Stage ordered for Friday, 16 December 2011.

Horse and Greyhound Racing Fund Regulations 2011: Motion

Senator Maurice Cummins: I move:

That Seanad Éireann approves the following Order in draft:

Horse and Greyhound Racing Fund Regulations 2011,

a copy of which Order in draft was laid before Seanad Éireann on 7th December, 2011.

Question put and agreed to.

Business of Seanad

Senator Maurice Cummins: I propose that the sitting be suspended until 11.50 a.m.

An Cathaoirleach: Is that agreed? Agreed.

Sitting suspended at 11.40 a.m. and resumed at 11.50 a.m.

Social Welfare Bill 2011: Committee Stage

SECTION 1

Question proposed: "That section 1 stand part of the Bill."

An Leas-Chathaoirleach: I welcome the Minister for Social Protection, Deputy Joan Burton.

Senator Paschal Mooney: Cuirim fáilte roimh an Aire. Despite all the difficulties facing the Government and the Department of Social Protection, I would be failing in my duty were I not to express the opinion of my party that the severe cutbacks proposed in the Social Welfare Bill and the consequences thereof will hit the most vulnerable in society, namely, the elderly, the poor, children and young disabled people. Mothers are also disproportionately affected by the cuts. Fianna Fáil is opposed to these deeply unfair cuts and highlights the series of broken promises made by the Government. It has argued that savings in the Department should be targeted through labour activation measures, control measures and changes to rent supplement as part of a fundamental overhaul of local authority housing lists. It believes the Government has gone for the low-hanging fruit and, notwithstanding my sympathy and understanding for any Minister in the current economic climate, sufficient submissions have been made, particularly by Dr. Seán Healy, to indicate a different direction could have been taken with the budget. While the Minister, by her own account, has had an extremely difficult number of months in attempting to fight her case at the Cabinet table, I shudder to think how she will cope with taking another couple of billion euro out of the national economy this time next year.

An Leas-Chathaoirleach: I ask Senators to confine themselves to the section rather than making broad statements.

Senator Thomas Byrne: Ba mhaith liom fáilte a chur roimh an Aire freisin. Tá sé tábhachtach go bhfuil an tAire anseo agus nach bhfuil aon teorann ama ar an díospóireacht ar maidin agus ceapaim go cur sin an cás.

Like my colleague, I acknowledge the difficult job the Minister has and all our contributions are made with this in mind. Members appreciate that this is one of the most difficult jobs anyone in Ireland could be asked to do, but they still have fundamental difficulties with the Bill. When my party was in government and the former Minister for Finance, the late Deputy Brian Lenihan, who often was praised, introduced cuts and taxes, they appeared to hit everyone

[Senator Thomas Byrne.]

across the board and those who could least afford it paid less, while those who could afford it most paid most. However, Fianna Fáil's fundamental difficulty with the Government's budget and the Social Welfare Bill, in particular, is that they appear to have targeted particular sections of society and recipients of social welfare payments for particularly harsh cuts. This is most unfortunate, is not the way to go and will be absolutely opposed by Fianna Fáil Members.

Minister for Social Protection (Deputy Joan Burton): In the context of a general discussion on the points raised by the two Senators, I agree the framing of the social welfare budget for 2012 has been exceptionally difficult. Ultimately, however, I had been left with a framework of cuts proposed by Fianna Fáil that ran between €622 million and well over €800 million. I do not suggest Fianna Fáil found implementing such measures to be pleasant either because in each of the preceding two years the cuts made by Fianna Fáil to social welfare payments had amounted to more than €800 million. This had meant a loss over two years of €27 a week for a married couple and a loss of more than €16 a week for a single person. Fianna Fáil had favoured across the board cuts which had resulted in highly significant drops in income for everyone in receipt of social welfare benefits.

During the Second Stage debate I told Members that I had made a conscious decision to maintain the primary social welfare rates for two reasons. First, those in receipt of social welfare payments had already suffered significant cuts to weekly payments in the previous two years. There had been across the board cuts to child benefit. Members should recall that I chose to defend basic rates and the overall consequence of so doing is clear. The overall cut in social welfare expenditure is €475 million, leaving overall expenditure at €20.5 billion. Consequently, the reduction next year is approximately 2.2%. Given the enormous difficulties and deep recession facing the country, this was as low as I could get the reduction.

The second reason I opted for this approach is, as I stated in my Second Stage contribution, social welfare expenditure is extremely important from an economic stimulus point of view in each town and village. Maintaining core social welfare rates will have the most beneficial effect on the economy in terms of maintaining purchasing power. Against much advice, I have been able to maintain the core pension payment for all pensioners, as well as payments to carers either on a full-time or half-rate basis. Managing to achieve this for carers and pensioners, given their importance in Irish society and the contribution they had made and continue to make, constitutes a significant achievement.

I understand Fianna Fáil's concerns, but that party left a menu or parting note on my desk in the Department of specified cuts of between €622 million and €822 million. I was obliged to negotiate on what had been left as my legacy by Fianna Fáil in extremely difficult circumstances. In that regard, I have sought to protect core payments. In addition, I have negotiated successfully with my partners and the other members of the Government to reduce the overall figure in respect of what Fianna Fáil left behind to €475 million. I acknowledge a cut of €475 million is still deeply painful and not something I would have wished for. However, it emphasises the prospects for reform to further improve the possibilities for people in receipt of social welfare payments, particularly those who are unemployed, to return to employment.

Senator Paschal Mooney has suggested all of the savings should be made through activation measures. I am sure he is aware that to create a good activation system under which people would have good prospects, one must spend money to get people back into education and training.

We will also be obliged to spend a great deal of money in assisting people to obtain jobs. It is not always possible to persuade employers, large or small, to give job opportunities to some

of the 400,000 plus individuals who are on the live register. Vacancies are sometimes being filled by those who are not on the register. This is a major issue. Activation is not cost free. We need a major discussion on this matter, not just with those who are unemployed — and who require access to pathways and options — but, in the context of job opportunities that become available, with employers. Some 125,000 people left the live register during the year. These individuals replaced those who had retired, they filled new vacancies and so on. It is a matter of concern that sufficient numbers of people on the live register did not obtain an adequate proportion of the total quantum of jobs available. That is an issue to which we may return at a later date.

Senator David Norris: I appreciate the position in which the Minister finds herself. I speak as an independent Senator and I understand that she is being obliged to honour arrangements that were made before she came to office. That is a very complicating factor. I was spoke out and voted against all of those arrangements, including the bank guarantee. I saw this difficulty coming down the tracks and I knew what would happen. The Minister will be sympathetic to the fact that at the very time these cutbacks are being made, a further €1 billion will be paid to secure the liabilities of a defunct financial institution, namely, the former Anglo Irish Bank. That is extraordinarily galling for people who are losing access to services. The section with which we are dealing refers to percentages of disability. There is something almost Dickensian about measuring disability and disadvantage in percentages. I am not sure that disability easily lends itself to this type of quantification. In that context, I speak as someone who experiences robust and rude good health.

Until a few minutes ago, the Minister was wearing a nice, warm scarf. We are in one of the Houses of the Oireachtas but despite the central heating, there is something of a chill in the air. Imagine what will be the impact of some of these proposed cuts on people, particularly that which relates to the fuel allowance. The latter is the most appalling of cuts.

If we want to move forward and get people into employment, then guidance counsellors are essential.

Senator Marie Moloney: We are discussing the Social Welfare Bill.

Senator David Norris: Yes, I know. However, the Minister framed some of her comments in a general context. I am sure the Senator would not wish to usurp the role of the Leas-Chathaoirleach in this matter. I will stand to be reproved by him but not — even though I have great respect for her — by the Senator.

Senator Marie Moloney: I apologise to Senator Norris. He is correct.

Senator David Norris: Most of my comments to date have related directly to the section.

It is rather a pity — perhaps this is due to the fact that we are dealing with the usual cascade of work at the very end of the session — that the list of amendments is filled almost entirely with recurrences of the term “Section opposed”. I suppose this indicates, to a degree, principled opposition to the entire Bill, which I will certainly vote against. It might have been more constructive if those parties which have the capacity to secure expert assistance and advice had tabled reasoned amendments rather than just using the blunt instrument of opposing various sections. I accept that this is one way of operating and of securing a discussion. As already stated, it may reflect principled——

Senator David Cullinane: Amendments such as those to which the Senator refers would have been ruled out of order.

Senator Jillian van Turnhout: This is the Social Welfare Bill we are discussing.

Senator David Norris: The penny has dropped with me.

An Leas-Chathaoirleach: Such amendments would have financial implications.

Senator David Norris: So opposing sections is the only instrument available to us.

Senator Thomas Byrne: Yes.

Senator David Norris: I see. That is a great pity.

I have always been of the view that we were walked into a financial disaster by the Lower House. Yesterday, Senator Barrett, who is new to the House, produced a very remarkable Bill that has been accepted, in principle, by the relevant Minister. His is clear and concise legislation which addresses an extraordinarily complicated fiscal matter.

An Leas-Chathaoirleach: We are dealing with the Social Welfare Bill now.

Senator David Norris: Yes, but my remarks relate to the fact that we are merely opposing sections. I should have spotted that we are precluded from tabling amendments because of the financial constraints involved. It is a pity that the Seanad is restricted——

An Leas-Chathaoirleach: That restriction is enshrined in the Constitution.

Senator David Norris: I know. I am merely expressing the view that it is regrettable that we are not in a position to table constructive amendments. That may be one reason the debate has tended to be somewhat wide-ranging in scope. Perhaps it is why the Minister referred to more general matters during her initial contribution.

Senator Marie Moloney: I wish to inform Senator Norris that I did not intend to reprimand him earlier. The Bill is so wide-ranging in nature and so important that we will require all the time available to us to discuss it. If it were eventually necessary to apply a guillotine to the debate, Senators would complain. We should, therefore, adhere to discussing the Bill itself. As Senator Norris correctly pointed out, it is the Leas-Chathaoirleach's job to guide Members and not mine. In that context, I apologise for my earlier intervention.

The Minister has an extremely difficult job. Senators must be realistic — social welfare comprises 40% of the Exchequer budget and cuts are required. I would not like to have been in the Minister's shoes and to have been obliged to identify where cuts should be made. I do not know where I would have started in that regard. Senator Mooney referred to low-hanging fruit. Unfortunately, there was no such fruit left. Such fruit was removed in previous budgets. Consequently, any cuts the Government would be obliged to make would be deep.

When considering the legislation last night, I asked myself what would have happened if we had reduced social welfare rates and retained the secondary benefits referred to. To her credit, the Minister has been able to restrict the cut to social welfare to just over 2%. If such a cut had been applied across the board, a single person on jobseeker's benefit would have lost approximately €200 per year while a person on an old age pension would have lost €230 to €240. For someone in receipt of social welfare who is being paid in respect of an adult dependant, the loss would have been €364. Such a cut would have caused more hurt than that to which the reductions introduced by the Minister will give rise.

I ask Senators to bear with the Minister, who has done a good job. People will be hurt but that is the nature of what occurs when social welfare payments are reduced. Unfortunately, the

Minister has been obliged to cut social welfare but she has done the very best job she could in the circumstances. I ask Senators to give her as much support as possible.

An Leas-Chathaoirleach: I remind everyone that we are still on section 1. I understand that sections 1 and 2 are not generally being opposed. I do not wish to curtail the debate but we must be realistic. Senator Moloney referred to a guillotine and that option may have to be employed later in the day.

Senator David Cullinane: I will not oppose sections 1, 2 or 5. Unfortunately, matters go downhill from there because I will oppose all other sections.

An Leas-Chathaoirleach: Perhaps, then, the Senator could hold fire until we reach the sections he opposes.

Senator David Cullinane: I could do so but I must make a number of brief points because I wish to ensure that all of the sections will be discussed.

A number of Senators referred to the difficult job the Minister is obliged to do. They are correct in that regard and everyone accepts that she has a difficult job. This matter comes down to the political and economic choices a Government is obliged to make. Unfortunately, the current Government has made the wrong choices economically and politically. Targeting people who are in receipt of social welfare payments will have the effect of driving more people into poverty, on the one hand, and impacting on the quality of life of some of the most vulnerable individuals in this State, on the other.

In a previous debate in this House I called on the Government to begin poverty-proofing policies. There is no doubt that if any objective, independent anti-poverty group in the State was to poverty-proof this Bill, it would not support it because it will drive more people into poverty. It is wrong to say the rates have not been cut and that, as Senator Mdary Moran said, the Minister could have opted for a 2% cut across the board. If we consider the impact of some of the cumulative cuts on families, whether it be child benefit, fuel allowance, rent supplement or the lone parent's allowance, the figure will amount to more than 2%.

The Minister spoke about the €475 million adjustment to the social welfare budget, but the full year cost is €811 million. There are choices. For example, in the past the Minister's party supported a third rate of tax of 48% on all incomes in excess of €100,000. That would have brought in enough money to negate the need to make the changes the Minister has introduced.

An Leas-Chathaoirleach: The Senator is broadening the debate again.

Senator David Cullinane: I am trying to speak to the section. The Minister was very good in opposition, as was her party leader, the Tánaiste, Deputy Eamon Gilmore, at pointing to the madness of paying back bondholders and speculators, yet in November the Government paid a bond of €750 million and it will pay another of €1.2 billion in January. A number of weeks ago it extended the bank guarantee in a measure taken in this House and the Dáil to include an additional €38 billion of unsecured senior debt. It is bizarre that a party and a Minister who made a name for themselves for being opposed to the bank guarantee and paying back bondholders are now paying them back——

An Leas-Chathaoirleach: The Senator is generalising again.

Senator David Cullinane: ——even those not covered under the bank guarantee scheme.

Senator Fidelma Healy Eames: I will reserve most of my comments for the debate on the various sections. The Minister for Social Protection, Deputy Joan Burton, had a rotten job but someone had to do it.

Senator Thomas Byrne: It is one of the best jobs in government.

Senator Fidelma Healy Eames: I mean it in the sense that——

Senator Paschal Mooney: We have already said that.

Senator Thomas Byrne: It might not last too long.

Senator David Norris: I try to acknowledge the Minister's achievements.

Senator Fidelma Healy Eames: I would like to say a few words, if I may.

An Leas-Chathaoirleach: The Senator should confine her remarks to the section.

Senator Fidelma Healy Eames: It is a difficult job, but I will hang on to what the Minister said recently, namely, that she wanted to steer the Department of Social Protection towards a culture of enablement. That is a fine principle, one I would like to see us have. As such, we need to take practical steps to achieve it. Given the criticism levelled at the Bill, it might have been easier for the Minister to cut every programme by 2% or 5%, but I understand she was trying to achieve structural change, on which I compliment her because she is trying to move people away from dependency towards enablement.

We must compliment the Minister on adhering to the principle of maintaining primary rates and examining supplementary rates. However, the devil is in the detail and as such, I would like to tease out a number of the sections, but we should proceed with the debate on the Bill, section by section, because that is the only way we will help people. We should examine the sections that may be harsher than others because we want to make sure we do not push anyone into poverty. I checked some of these measures with Social Justice Ireland because I had some concerns, but I have had them allayed. Therefore, I encourage everyone to proceed with the debate on the Bill, section by section.

Senator Katherine Zappone: While I agree we should proceed, I want to make some brief comments. I welcome the Minister and acknowledge her systematic and diligent approach to the reform of the social protection system. I am aware it is grounded in her extensive experience of the varied and complex schemes that are part of the system. I acknowledge her protection of a substantial sum of the safety net that was not cut from budget 2012. That is a serious achievement. However, I agree with my colleagues in opposing a number of sections of the Bill. Senator Jillian Van Turnhout and I will oppose sections 8 and 11, in particular, on which we will comment, but I, first, wish to make two general observations.

Of the top 20 budget hits of 2012, the No. 1 hit is the increase in the VAT rate which will bring an estimated saving of €670 million, about which we spoke in our statements on the budget. Changes made to the one-parent family payment rules in respect of children over seven years of age and the earnings disregard effectively constitute the sixth biggest hit in terms of savings which will amount to €112 million. I realise that we are only discussing one aspect of the earnings disregard, but, as the Minister is aware and I am aware from representations made to my office by OPEN and other organisations, the overall impact of the changes in payments for children is being felt by parents now.

I note that the independent think tank, TASC, on the basis of well worked-out evidence, has judged that the budget will disproportionately affect the poorest income groups in society, of which one-parent families are one. I will save my additional remarks for later.

Question put and agreed to.

Section 2 agreed to.

SECTION 3

Question proposed: "That section 3 stand part of the Bill."

Senator Paschal Mooney: On section 3, I highlight again the difficulty any Minister for Social Protection would have but which the Minister, in particular, had in framing the budget. Anybody who has worked in the Third World could not but have been scarred by the experience and this obviously influences her entire philosophy in trying to help those who are most vulnerable in society, but the point has been made and will be made throughout this debate that there are alternatives available. This remains an exceptionally wealthy country. I seek clarification and perhaps a reasoning as to why the Minister saw fit to change and redefine the criteria applied to disability allowance. My colleague will elaborate on this issue, but I understand there is a change from the broader definition of "substantially restricted". The changes appear to remove a gradient pay scale. Department estimates that some 1,000 people per annum will not qualify under the changed system. The changes will affect new applicants. The Minister might clarify why it was considered necessary to seek these changes. How much will be saved?

I will make three brief points. First, I concede that one of the mistakes — I am qualifying the use of the word "mistakes" — made by previous Fianna Fáil Administrations from 2002 to 2009 was that as the Celtic tiger roared — the Minister quoted a figure which the former Minister for Social Protection, Deputy Eamon Ó Cuív, quoted to us at party level and publicly during his time as Minister and subsequent to the general election — the social welfare spend increased by almost 300%, at a time when the rate of inflation was running at only 30%. I thought it was only 13%, but I read that it was actually 30%.

Deputy Joan Burton: Due to house price inflation.

Senator Paschal Mooney: Whether the figure is 13% or 30%, it puts in context the level of spending in the social welfare system. In retrospect, we should have been much more Calvinist in our approach. That is not in any way to suggest that those increases were not merited. In that context, the Government was then faced with what happened following the economic meltdown.

My colleague, Deputy Barry Cowen, commented in the Dáil that the outgoing Government made available to then finance spokespersons all relevant accounts and finances of the State for their inspection. Not only that, Department of Finance officials briefed the spokespersons, including Deputy Burton of the Labour Party, who was then the finance spokesperson.

Deputy Joan Burton: It was four sheets of paper.

Senator Paschal Mooney: Some of us feel that she should have been appointed Minister for Finance, but that is another day's work.

Deputy Joan Burton: I thank the Senator.

Senator Paschal Mooney: The press reported at the time how ashen faced Deputies Burton and Noonan were, having emerged from these briefings and having been faced with the full reality. However, they just opposed vehemently — as was their right — the last budget and the subsequent Finance Bill. Allegations were also made that the nation was “banjaxed”. I am not quite sure who said that, but in deference to the Minister, I will not name the person. Allegations of economic treason were made against people. It is a little disingenuous for the Minister to throw political charges at our side of the House on the legacy left to her. My problem, and the problem with much of the electorate and increasingly within my party, was that being fully aware of what we were facing, she and her colleagues went out and collectively over-egged the pudding. The people were looking for change and they would have got it without many of the misplaced promises made by both the Labour Party and Fine Gael.

An Leas-Chathaoirleach: The election is over.

Senator Paschal Mooney: The Minister raised the issue, and I only feel that it is right that I should respond to a political charge.

An Leas-Chathaoirleach: Political charges have no place on Committee Stage.

Senator Paschal Mooney: Political charges are accepted within Standing Orders, as you well know.

An Leas-Chathaoirleach: My indulgence is wearing thin.

Senator Thomas Byrne: The disablement benefit change is not the biggest change in this case, but it is the type of change that worries me because we might end up cutting people out of the welfare system entirely. Is it correct that the effect of this is that up to now, people who lost an index finger were rated at 14% disability, so that by raising this threshold at 15%, the Minister is just excluding the fingerless? All the people who lose a finger due to occupational injuries are at 14%, the Minister is raising the threshold to 15% so is cutting that group out.

Deputy Joan Burton: Generally, they remain in employment and are working full time. These are not people on disability. They are people in work who are getting an additional pension while working.

Senator Thomas Byrne: They previously had a benefit under the system and there are other categories of disability——

Deputy Joan Burton: It does not affect existing people on the benefit.

Senator Thomas Byrne: That category of people who previously had a benefit under the system where categorised at 14%, but the Minister has now come in at 15% and the benefit is gone. It is a little worrying that the financial exigencies of the country would be used to reform the system, because the reform should have happened a long time ago and the welfare bill was too high in the boom times. There is no question about that, but who was telling us it was not enough and that we were stingy?

Senator Marie Moloney: The finances vary——

Senator Thomas Byrne: The fact is that we were steering the ship——

Senator Marie Moloney: The Senator’s Government was telling us that we were awash with money.

Senator Thomas Byrne: —and there was huge electoral pressure as to why we were not spending enough. It was claimed we were spending too little because we were greedy. Fr. Seán Healy criticised us even after he visited my colleagues in County Cork, claiming that we were not spending enough. However, according to our learned colleague, Senator Barrett, had we saved double what we actually saved in the national pension fund over the years of the boom, we probably would not find ourselves in as much difficulty. Even the Labour Party criticised the setting up of the National Pension Reserve Fund in the first place.

This thing is more complicated than it just being a result of Fianna Fáil. Our problem with the welfare system, to paraphrase a more important person than me, is that we love not wisely but too well. We looked after the people on social welfare not wisely, but too well, as it turns out, given the necessity for cuts.

It seems to me that the effect of this benefit cut is that people who have lost their index finger are just gone as a particular category. It is the wrong way to go about things.

Senator David Cullinane: The Minister has provided some clarity and when she comes back, she will probably give us more clarity. The explanatory memorandum, which has been circulated to us by the Department, states that section 3 provides for the abolition of the entitlement to payment of disablement benefit in the case of assessments of loss of faculty amounting to less than 15%. It does not apply to existing applicants——

Deputy Joan Burton: It is for new applicants.

Senator David Cullinane: That is my understanding. The problem we have is that people pay PRSI, which is a social insurance, so if they are victims of an accident, they can rely on it and can be covered. A number of advocacy organisations have made the point that this potentially could be a slippery slope, or a move towards a more graded scale of disability. While the section here states “amounting to 15%”, could a future Minister insert a section that states “amounting to 25%”, or “amounting to 30%”, so that only very disabled people will get the payment.

People pay PRSI for a reason. I assume that this section deals with people who are victims of an accident at work.

Deputy Joan Burton: Or incidents within the Prison Service.

Senator David Cullinane: Something like that. However, people who are somewhat incapacitated need time to recover. That is the reality if they are victims of accidents at work.

Deputy Joan Burton: The section does not affect their sick pay.

Senator David Cullinane: Yes, but the disablement benefit is being cut and they will not be able to avail of it if the loss of faculty is less than 15%. It is 15% now, but can the Minister give us a guarantee that in future budgets, that figure will not become 20%, 30%, or 40%? How is this figure assessed? Does an independent medical doctor assess it? I look forward to the Minister’s response.

Senator David Norris: In the interests of the economy of time, I would like to say that my comments in a previous contribution should apply to this section. I was looking at the amendments and I addressed what I thought was the first amendment.

History will be reasonably kind to this Minister, because I think we all accept that she has fought a very sterling battle, but the circumstances are awful and it is appropriate for this House to try to defend the most vulnerable people. I am not going to say anymore because

[Senator David Norris.]

everything I said in the previous contribution was relative to this section on disablement and percentages and so on.

Senator Marie Moloney: Some people are under the misapprehension that disablement benefit is disability benefit. It certainly is not. A person qualifies for disablement benefit if he or she has an accident on the way to work, during work or on the way home from work, without taking a break. This is in addition to the occupational injuries benefit and is in addition to disability, and a person can work with it. Until now, there has been no change in the way it has been assessed because it has always been assessed in percentages. This is not new.

I have dealt with people over the last 17 years in respect of accidents. They might have a scar and the disablement will be assessed at 1% to 2%, just because it does not look good. I see what the Minister is trying to do. A lump sum can be paid to somebody who has a scar on his or her finger, or whatever. I have dealt with this for 17 years, and I have never seen a percentage set for the loss of a finger. I do not know where the Senator is getting that from. Perhaps he is right, but I have seen people who lost a finger getting rated at 19% or 20% disablement.

Senator Thomas Byrne: Was it an index finger?

Senator Marie Moloney: It depends on the severity of the injury and whether the loss of the finger stops the person carrying out the job he or she was doing before the accident. It is not just 14%.

Senator Thomas Byrne: It is on the website.

Senator Marie Moloney: It can be set at any amount——

Senator Paschal Mooney: A Kerry footballer might also have trouble with his fingers.

An Leas-Chathaoirleach: Senator Moloney, without interruption.

Senator Marie Moloney: Are we putting percentages on our body parts? A person could lose a finger and be rated 25% disabled. A pianist who loses a finger and cannot play the piano could be rated at 50%. I do not think the percentages were set in respect of just losing the finger. It is about the extent of a person's injury and how it impedes the person from carrying out his or her job.

I can see where the Minister is coming from. We were paying out up to €16,000 in lump sums for a very small injury. She is just bringing things into line. If the disablement injury was rated at over 20%, the person would be offered a pension. I hope the Minister will not increase that percentage any more in the coming years. I agree that 15% is still a relatively small injury and will not be a huge disablement.

Senator Fidelma Healy Eames: My concern was very like that of the Opposition initially. I was looking at this as disability as opposed to disablement. I now know that is not the case. Is there a reference or guide to body parts which if lost——

Senator Thomas Byrne: Yes, it is on the Department of Social Protection website.

Senator Fidelma Healy Eames: I do not claim to know much about it. I am happy with the clarifications, particularly those offered by my colleague, Senator Moloney. On that basis I am happy to support the measure.

Deputy Joan Burton: I thank Senators for their remarks. The disablement benefit applicants who satisfy the occupational injury criteria are referred for an in-person assessment by a medical assessor of the Department. That assessor would determine the percentage loss of faculty and would be governed in the first place by the physical level of disablement suffered by a person. As an occupational benefit, there would also be a relationship with the capacity to carry on with an occupation. I stress that this is a medical assessment and it is not done by administrative officials.

The rate of benefit payable depends on the percentage loss of faculty assessed. Disablement benefit may be paid, as Senator Moloney, who is clearly an expert, would know, as a once-off gratuity or lump sum or in the form of a pension. Those payments may be made regardless of the fact that the person could return to work and take up the full-time employment which the person had before the accident. It does not require that a person would in any way stop working, and people frequently go back to work. I understand this may apply to many people in public service employment who may be prone to receive an injury in the course of their occupation. Certain public service obligations would carry that risk.

We are indicating that with 1% to 9% disablement that there is an option of a gratuity and with 10% to 14% there is an option of gratuity or pension. With the change, if the level of disablement is between 15% and 19%, the option from next year will be a gratuity or pension but from 1% to 14%, there will not be any payment. The saving to the Department next year will be approximately €2.5 million and just under €5 million in a full year. For anybody above 20% disablement, the existing process allows for a pension and that will continue next year.

Other countries have been mentioned. In the UK the disablement level is 14%, so essentially we are moving to the UK norm. In Denmark the level is 15%; in Germany it is 20%; in Lithuania and Portugal it is 30%; in the Czech Republic and Spain it is 33%; in the Netherlands it is 35%; and in Austria, Bulgaria, Greece and Hungary it is 50%. The EU norm tends to be somewhat higher than ours as with people who receive this kind of injury in association with their work or going to and from work, the expectation is that when they recover they will return in full to the previous occupation. The disablement benefit, as Senator Byrne stated, is to compensate for an injury suffered. It is not like disability, where a person would be prevented in some way from working. People may be in a public service occupation where there is full sick pay in the context of injury, and on returning to work they would generally resume their occupation in full. It would not affect ultimate retirement benefits. One could say that we are moving to a European norm.

Senator Mooney spoke about the history of social protection in Ireland, with people in various Governments trying to enable people to get more payments from social welfare. There are some areas in which payments are much larger than the equivalent in other European countries with which we would identify and that have very strong social welfare systems. As a Minister I am anxious to get cross-party support on the idea that whatever the level of difficulty and deep the recession, as we move through these very painful cuts we should retain the notion of a welfare state for people. In the context of existing pressures we must also look at maintaining the welfare state in a way that is more cost-effective and targeted. I put it to Senators that this change is in that category.

Senator Thomas Byrne: I got the 14% figure from the Department of Social Protection website. There was a reference to the loss of an index finger as a 14% disablement. A finger for a pianist is different to a finger for a clerk.

Senator Marie Moloney: That was an example.

Senator Thomas Byrne: Is it with a view to those figures that 15% was used to exclude people who might be considered to have a minor occupational injury, although it could be devastating for certain people? These changes apply to new claimants of the benefit, which is paid for by PRSI. It is not a change to new entrants to PRSI. If the general insurance companies which provide similar schemes to people came up with a cut for existing members, there would be holy war. People would argue that they have paid into a system——

Senator Marie Moloney: It is paid on a very reduced rate stamp and not even on the A stamp. It is paid on the J stamp.

An Leas-Chathaoirleach: It is not appropriate to have——

Senator Thomas Byrne: I am happy to have it clarified.

Senator Marie Moloney: The PRSI is very——

Senator Thomas Byrne: I am trying to tease this out in order to fully understand the matter before we decide on it. I certainly never claimed this was the disability allowance.

An Leas-Chathaoirleach: If I allowed such interventions I would soon lose control.

Senator Fidelma Healy Eames: That would be terrible.

Senator Thomas Byrne: I am worried that such changes will be introduced to the disability allowance next year.

Senator Marie Moloney: It does not apply.

Senator Thomas Byrne: I know, and I am not trying to confuse the issue. I know what disablement benefit is and it is different to the disability allowance. We are clear on that but there are fears that in future the Government will try to do what I describe. There were leaks in the run-up to the budget that the criteria for schemes such as disability allowance would be changed. That was speculated upon in the media and I thought it a regressive way of reforming the system. The British are now telling people who were previously told they could not work to begin working again. I accept that is a separate issue but I am worried that this issue will set a precedent. The 14% figure comes from the Department website and it seems those injuries are relatively serious. I am not sure that the comparison with other European countries is appropriate for those who pay into the benefit system. People pay their benefits with the expectation of getting paid back. This is not a gratuity from the Government but rather a system into which people pay as a social insurance. They are entitled to benefits as a result. We are not cutting the rate but rather the qualification criteria to avail of the benefit for which people have paid, which is regressive.

Senator Paschal Mooney: I am grateful to the Minister for the clarification and indicating there is a €2.5 million saving. Is there any indication of a potential fault in this area? Is the system so well defined — the Minister described an independent medical examiner — that there could be no fault? I am thinking of people who return to full-time employment. We are all aware of bad back syndrome and one cannot come up with a conclusion for a bad back. I am not saying that people would not have such a condition, and I have suffered it myself on occasion. That is the context in which I made the suggestion.

This will be a recurring theme throughout the debate and the Minister is very much aware of it. I will be relying to a large extent in my comments on Fr. Seán Healy, with whom I have worked at the National Economic and Social Forum for many years and for whom I have

tremendous respect. In the context of what others and I have said about the budget, its framing and priorities, he has said the better-off will continue to dodge their responsibilities and thrive, while the gap between them and Ireland's poorest will continue to widen dramatically. He has also said many transnational corporations will continue to pay no tax whatsoever on their substantial profits, while small and medium-sized enterprises will see no real improvement in their limited access to credit. This will be a recurring theme and I am sure the Minister will have an opportunity to indicate her own thinking in this regard as we proceed. I do not suggest it be done on this section. I am grateful to her for her clarity in that regard.

Deputy Joan Burton: A couple of points were raised. Senator Thomas Byrne has referred to an existing benefit to which people have contributed as being limited. The problem with the social welfare system from a structural point of view is that the deficit in the social insurance fund for 2011 is approximately €1.9 billion. Even after taking these very difficult measures, next year the gap is likely to be €1.5 billion. One of the difficulties for the country is that, compared to other jurisdictions, we have very low rates of PRSI contributions. It might be argued that some of our taxes such as the universal social charge and part of income tax ought to be designated to provide for more PRSI benefits, but according to the OECD figures we are about the third lowest contributor in terms of both employee PRSI and, very importantly, employer PRSI contributions. During the boom the Government relied on a big wall of taxes — in the same way as people now talk about walls of money — from the construction industry and property development. Once this had receded, we were back to relying much more on the social insurance fund. The problem is that the deficit in the fund is very large. One can address it in a couple of ways. The first is to borrow money to meet the deficit, which clearly we are doing, this year and next year. The second is to limit some of the benefits payable. In this case, we are limiting a benefit for new entrants who apply. Third, one could seek an increase in the contribution base of the fund on a gradual basis for a number of years.

Senator Paschal Mooney raised the issue of disability. Disablement has nothing to do with disability. The UK system is different from ours because under that system and in the North, with which I am sure Sinn Féin Senators are familiar, going back a number of years, there has been a focus on every person — no matter what is his or her level of disability — being available for work and their ability to work. Next year the cuts in social welfare in the North, for instance, will amount to approximately €700 million, compared to cuts of €475 million in the Republic which has a much larger population. Some of the cuts made in the North in regard to persons with a disability will be, unfortunately, far more severe than anything that will happen in the Republic. People in the North, from all political parties, are deeply concerned about this.

To be clear, many of the people who receive disablement benefit are in full-time employment, very often in the public service. I have never heard of fraud being mentioned in that regard.

Senator Thomas Byrne: One cannot defraud on a finger.

Senator Paschal Mooney: That is not what I was inferring. I only asked the question.

Deputy Joan Burton: They generally have access to a full sick pay system. If they have an accident and are out of work, they are paid. They then go back to work on full pay. This is recognition of their disability. A scar may have an emotional as well as a physical significance. That is for the medical assessor, the doctor reviewing the case, to determine. The decision is not made by administrators. In this case, we are moving towards the European norm.

Question put.

The Seanad divided by electronic means.

An Cathaoirleach: In the absence of one of the tellers, we will have to take the vote manually.

Question put.

The Committee divided: Tá, 32; Níl, 16.

Tá

Bacik, Ivana.
Bradford, Paul.
Brennan, Terry.
Burke, Colm.
Clune, Deirdre.
Coghlan, Eamonn.
Coghlan, Paul.
Comiskey, Michael.
Conway, Martin.
Cummins, Maurice.
D'Arcy, Jim.
D'Arcy, Michael.
Gilroy, John.
Harte, Jimmy.
Hayden, Aideen.
Healy Eames, Fidelma.

Heffernan, James.
Henry, Imelda.
Higgins, Lorraine.
Kelly, John.
Landy, Denis.
Moloney, Marie.
Moran, Mary.
Mulcahy, Tony.
Mullins, Michael.
Noone, Catherine.
O'Keefe, Susan.
O'Neill, Pat.
Sheahan, Tom.
van Turnhout, Jillian.
Whelan, John.
Zappone, Katherine.

Níl

Byrne, Thomas.
Crown, John.
Cullinane, David.
Daly, Mark.
MacSharry, Marc.
Mooney, Paschal.
Mullen, Rónán.
Norris, David.

Ó Clochartaigh, Trevor.
Ó Domhnaill, Brian.
O'Brien, Darragh.
O'Donovan, Denis.
Power, Averil.
Quinn, Feargal.
White, Mary M.
Wilson, Diarmuid.

Tellers: Tá, Senators Paul Coghlan and Susan O'Keefe; Níl, Senators Trevor Ó Clochartaigh and Diarmuid Wilson..

Question declared carried.

SECTION 4

Question proposed: "That section 4 stand part of the Bill."

Senator Paschal Mooney: Section 4 provides for the discontinuation of the current entitlement to the payment of a half rate qualified child increase where the spouse, civil partner or cohabitant of the beneficiary has weekly income in excess of a prescribed amount. This applies to new claimants and also extends the reference to the spouse of the beneficiary.

I am sure the Minister will clarify or confirm that the reason for the change in language relates to the consequences of the civil partnership Act in which reference is made to a civil partner or a cohabitant. She might remember that I raised an issue before about the ESRI and this new legislation. I am curious to know whether this section will have an impact. The message conveyed by the ESRI report is that those who are cohabiting may not be aware that as a result of these legal changes, they may find themselves in difficulty when it comes to the division of assets. The first part, or core, of the section is about the reduction in entitlement.

I would be grateful to hear the Minister's comments on the suggestion that the abolition of the temporary half rate payment will act as a disincentive for those trying to return to employment. Because there are so many other hits to vulnerable families this seems like another which particularly affects one-parent families in which there may not be sufficient money in the household. I am thinking, for example, of a one-parent family in which the child is currently receiving child care outside the home in order to allow the mother — most lone parents are mothers — to work. She may find herself in difficulty if there is a reduction in the half rate payment and a cap on the entitlement because she will not be able to pay for child care. I am not talking so much about State child care services or a privately run child care facility, rather I am thinking of a person who, perhaps, pays a neighbour a few euro to look after a child for a few hours while she is working. This assumes the lone parent is working. Statistics indicate that unemployment has hit lone parents disproportionately.

1 o'clock

What does the Minister see as the impact of this measure? What savings does she expect to make as a result?

Senator Darragh O'Brien: Section 4(2)(b)(i) amends the 2010 Social Welfare Act by inserting the following subsection (3A):

Subsection (3) shall not apply and no increase of State pension (contributory) payable under subsection (2) in respect of a qualified child who normally resides with the beneficiary and with the spouse, civil partner or cohabitant of the beneficiary shall be payable where the weekly income of that spouse, civil partner or cohabitant, calculated or estimated in the manner that may be prescribed, exceeds the amount that may be prescribed.

A similar amendment is made in the case of disablement pension.

I would like to hear the Minister clarify the position on the qualified child. The section, effectively, introduces means testing of the qualified child payment. There is no entitlement to it should there be an income of €400 a week coming into the household. Is that correct?

In many instances, where a person is in receipt of a State pension and has a dependent child with a disability, the household will have an income of more than €400 a week, as a couple. Therefore, this change is significant. Such a household will have no entitlement to the qualified child additional payment. What savings has the Department projected for this measure? Can there be any leeway if someone is over the €400 limit? What exemptions are envisaged?

Section 4(2)(c)(ii) states no increase will be payable “where the weekly income of that spouse, civil partner or cohabitant, calculated or estimated in the manner that may be prescribed, exceeds the amount that may be prescribed”. Am I correct in thinking that where the household income is more than €400 a week, the qualified child payment will not be paid? That is a serious step. It is a significant hit to the income of a household where there is more than one qualified child. Will the Minister explain the Government's rationale for introducing this measure? Will exemptions be allowed for a child or young adult still living with parents who are in receipt of a disablement pension, carer's allowance, contributory or non-contributory State pension, transitional pension or invalidity pension? This measure is the most significant part of the section and I would like to hear the Minister's views on it.

Senator David Cullinane: The only part of this section with which I can agree is the change in the definition of “spouse” to include “civil partner or cohabitant”. Apart from this, I must oppose the thrust of what the Minister is trying to do. The section cuts the half rate qualified child increase for people on invalidity pension or contributory pension or in receipt of carer's benefit.

[Senator David Cullinane.]

The Minister has said that in the budget the Government has protected carers. Many carers are concerned about this cut. Senator Paschal Mooney has observed that this measure could act as a disincentive for people to go to work. Ministers talk all the time about the need to change the social welfare system to remove poverty traps which cause people to lose benefits if they take a low-paid job that pays €400 or €450 a week and act as a disincentive to seeking work. This measure could have that impact.

Will the Minister clarify the following point? If a person is in receipt of carer's benefit, his or her spouse is earning €420 or €430 a week and the couple have two or three children, will the discontinuation of the half rate qualified child increase apply to all children? If so, it will be approximately €15 per child. In such a household with three children the cut will amount to €45 a week. In this way, the measure could force many more families into poverty. It could also, as previous speakers said, act as a disincentive for people to go to work. In that sense, this is a regressive measure.

Senator David Norris: I find it interesting to observe the ricochets of the passage of the civil partnership Act, particularly as they emerge in this legislation. The most reprehensible and disgraceful aspect of the civil partnership Act which I supported in principle was the total absence of concern for or a reference to children which left them exposed. Although it is possible for a same sex partner to adopt, that person adopts as an individual. If the adopting partner dies, the child is left exposed and vulnerable. That is a horrible position to be in. I ask the Minister, taking into account that this is mentioned in the Bill and that her title is Minister for Social Protection, to use her undoubted skills to urge her Government colleagues to provide protection for children in same sex relationships. It is a remarkable irony that whereas children are excluded from the civil partnership Act which would have given them some degree of right or advantage, it is possible to include them in any situation where they could be disadvantaged. That is most regrettable. I ask the Minister to consider this irony. These citizens can be disadvantaged again, having been refused a degree of recognition in the civil partnership Act. I hope the Government will address this issue which is one of the issues outstanding in this area.

Senator Thomas Byrne: I am happy to limit my comments and wait for the Minister's reply, at which stage I may have to come back in.

This is a cut to a basic payment. When the people concerned receive their money every week, it is their basic income. The State calls it a basic payment. This is spin and propaganda to be able to say we have protected the basic rates when there is a specific cut for any new claimant in receipt of carer's benefit. The Minister talks so much about carers and protecting pensioners. The measure proposed will affect transition pensioners who cannot earn extra income, although those in receipt of a contributory pension can go out to work. Invalidity pensions will be cut if those invalided have children and come within the ambit of this section. Carers will also suffer a cut. The worst cut of all is on people in a family with carers and FIS, a cut of €160 a week. These people are being cut. It is pure propaganda to state that the basic rates of social welfare have been protected when cuts are being made here, there and everywhere that will have a regressive impact on the lives of certain families. The Government should take a broad brush approach which tries to make every member of society pay according to what he or she can afford. One would think that would be the socialist left wing ideology, but in this country the socialist left wing ideology is to target those who will not vote at all and to protect the voting masses. That policy is wrong and will come a cropper next year and the year after when the Minister's difficult job continues.

Senator Marie Moloney: This section concerns new applicants. We should also realise that it only applies to someone whose spouse earns over €400. Where this is the case, the household gets a benefit and there is a household income per week of €600 — the benefit and the earnings of the spouse. If the spouse earns less than €400, this does not apply and there is no loss. Therefore, there is a minimum income of €600 coming into the house. This provision is already in place where jobseeker's allowance is sought, so it is not new. All it does is bring these benefits into line.

Senator Cullinane said this would hurt someone on a very low income. If the person is on a very low income, the person claiming benefit can claim for a qualified adult. If the spouse is on a very low income the person can claim the graduated rate. If the spouse is earning less than €100, the claimant can claim the full amount. The graduated rate goes up to something like €346. If the person is on very low pay, there will be an extra benefit payment for that adult. Also, if the pay of a person with two or three children is reduced, the FIS will increase. Therefore, the cut may not be as frightening as the Senator thinks. There are ways of working around it. As I mentioned, this provision is already in place for allowances, so the Minister is only bringing this payment into line.

Senator Mary M. White: I am concerned about the cutbacks affecting one-parent families. I was shocked by this socially regressive budget and am still in a state of shock. I am sure the Minister is aware the CSO produced statistics on 13 November that show the increase in inequality of income between the better off and the least well off. There is no question but that anybody in a one-parent family is more likely to be in poverty than anyone in a two-parent family. The reduction of payments for children of single parents on a phased basis from age 14 to age seven is a brutal cut. This cut will have a brutal effect on child care for these families if the parent does not get the full benefit for the child up to the age of 14.

Acting Chairman (Senator Paul Coghlan): That is not relevant to this section. The Senator may raise it when we are on the relevant section.

Senator Mary M. White: I will just finish this point. There are 90,000 families in receipt of the one-parent family payment.

Senator David Cullinane: That is in section 7.

Acting Chairman (Senator Paul Coghlan): We are not on section 7 yet. The Senator may raise that issue when we come to the relevant section.

Senator Ivana Bacik: I support what Senator Norris said about the need for recognition of children of civil partnerships. This is an issue I, Senator Norris and a number of others made at various times during the Civil Partnership Bill debate. I am aware it is not directly concerned with this issue, but I want to mention it.

I am hugely impressed by the detailed knowledge Senator Moloney has of social welfare schemes and entitlements. She has brought a great deal of knowledge and expertise to bear on this debate and I could not possibly come near that.

It is very hard to sit and listen to Fianna Fáil Members attacking the Minister, Deputy Burton, for what has been an incredible achievement in protecting the social protection budget and in reducing the level of cuts that has been applied to far less than the level applied by the Fianna Fáil Government in its last budget last year. We should also remember the budget in which the Christmas bonus was abolished. It is very difficult to listen to Fianna Fáil talk about cuts and attack this Government.

Senator Darragh O'Brien: Did the Labour Party not say it would reinstate the Christmas bonus? Should we not discuss the cuts at all? Is that right?

Deputy Joan Burton: This section has nothing to do with lone parent families and does not affect them at all.

Senator Paschal Mooney: We are aware of that.

Deputy Joan Burton: This provision brings into line an arrangement that already replies with regard to people on jobseeker's payments or illness or injury benefit. The section brings the arrangements that apply already with regard to jobseekers into the areas I have mentioned and it only applies where somebody who has one of the benefits mentioned has a spouse or civil partner who has earnings in excess of €400 a week. If the spouse or civil partner has earnings of less than €400 a week, the claimant continues to get the half-rate qualified child allowance. If the spouse or the civil partner has earnings just slightly above €400 a week, there are a variety of alternatives which may allow them get additional income support through the Department of Social Protection. Senators should remember there is no upper limit to the amount that may be earned by the spouse or partner. In practice, we have seen from the profiles that where the spouse or the partner has a full-time job, he or she often has earnings very much in excess of the €400 per week.

One of the difficulties I and previous Ministers have been faced is that the structure of social welfare here means we have between 40 and 60 basic systems. What we are trying to do is to introduce a basic level of uniformity across the systems to make them more understandable and to ensure that people in similar categories are treated in a similar way.

Comments have been made with regard to carers who are on a carer's benefit. In many cases, the parent who is a carer is more than likely to be caring for a child of the family, the spouse or the civil partner and in that case is receiving, in addition, the domiciliary care allowance up to the age of 16. The child, in his or her own right, will also more than likely get the disability allowance.

Senator Thomas Byrne: They could be caring for anybody. There is no rule implying they should be caring for a child.

Deputy Joan Burton: I just want to explain. I understand the Senator's concern that we should limit, as far as possible, the impact of changes in arrangements for people who are very vulnerable. However, the complexity of the social welfare system is such that where we have somebody whose spouse has earnings in excess of €400, particularly where the partner is a carer, it is very likely there will be additional income in the house. If the person is caring for a child of the family, there will be other payments going to that family, either the domiciliary care allowance or the disability allowance from the age of 16. I wish to make that point to the Senators.

Senator Mooney spoke earlier about the ESRI study, which was mentioned on Second Stage. I have not had an opportunity to study it in detail. I said to him that when the pressure of debate is less difficult, it would be interesting to have a look at that report. The report makes a number of interesting observations on lone parent families and the reasons they have not had better outcomes, given our structure of income supports.

Senator Mooney and others raised the issue of the ESRI study, which queried whether people living in informal, cohabiting partnerships were aware that, under legislative changes, they may have incurred relationship responsibilities even though they were not in formal civil partnerships or marriages. This is a valid observation, but I am not a lawyer. As with the issue

of the adoption of children in civil partnerships, I hope we will have an opportunity to revisit this debate further down the road so that we can consider its impact on families, irrespective of whether the parents in those families are married or in civil partnerships. For example, what are the implications for children if a parent in a civil partnership dies? Unfortunately, we do not have the time to discuss these questions now.

Senator David Cullinane: The spin from the Government side has been mentioned, in that its representatives have stated that the people affected by this cut are entitled to secondary benefits.

Deputy Joan Burton: They may be.

Senator David Cullinane: We are aware of that. In some situations, they may qualify for an increase in family income supplement, FIS, but that will not compensate for this cut. The Minister is trying to put everyone on a par with the jobseeker's allowance, but not everyone should be. How can carers be on a par with jobseekers? There is a clear difference. The half-rate qualified child increase exists for a reason.

No amount of spin from a Government representative or anyone else can counter the example of two parents in a family, one of whom is a carer and in receipt of carer's benefit while the other is working with a salary of €450 per week. We all understand that someone earning less than €400 per week will continue to receive the payment, but the amendment will abolish it completely for anyone earning in excess of €400. A cut will be made to people earning €420 or €430 per week. Perhaps discretion will be used in the case of a person earning €403, €404 or €405, but a difference of €10 or €20 is a small amount of money.

The Minister missed the Opposition's point. We are cutting the number of incentives to go to work. In the hypothetical situation that I outlined, the family will lose approximately €15 per each of its two, three or four children. This will impact on the family's quality of life. No amount of spin can take away from the fact that this is a cut.

The Minister should examine the disincentives for people in receipt of jobseeker's allowance to return to work. She should ensure that incentives are built into the social welfare system so that someone earning €450 per week at work does not lose all of his or her benefits. We should be moving towards this approach, not cutting people's entitlements. Those currently in receipt of this payment will be covered, but new applicants will not.

The Minister laboured this point — pardon the pun — for many years while in opposition. She was correct, in that we need to tackle some of the traps in the social welfare system that act as disincentives to work. The removal of this payment is one such disincentive and will affect the types of family described in my example. Irrespective of any FIS increase, there will be a net cut in their incomes. It is regressive and wrong.

Senator Darragh O'Brien: I thank the Minister for her clarification. The Opposition is entitled to raise any query or make any comment that is valid. I have spent nine months listening to certain Members on the Government side, Senator Bacik in particular, claiming that we have no such entitlement.

Senator Mary M. White: Hear, hear.

Senator Darragh O'Brien: It is rubbish. We are trying to pick through the Social Welfare Bill in a constructive manner with the Minister so that she can answer our questions. Indeed, the Minister is endeavouring to do so. We will decide how to vote on each amendment and

[Senator Darragh O'Brien.]

section. This is the start of a debate on important legislation and I will not take such claims from Senator Bacik, the leader of the Labour Party group.

Acting Chairman (Senator Paul Coghlan): The Senator should comment on the Bill.

Senator Darragh O'Brien: Through the Chair, neither I nor my colleagues will accept it. I do not want the debate to disintegrate into political muck-throwing across the floor, given the fact that people outside the Houses will be affected by these cuts. I understand that the Minister has a difficult job. I understood the same of all previous Ministers for Social Protection, but less understanding was given to them by our esteemed colleagues in the Labour Party while the latter were in opposition. I could cite the Labour Party's election manifesto, the programme for Government or an entire book of quotes from the previous Dáil and Seanad, but what benefit would it be to people whose rates have been cut? The programme for Government reads, "We will maintain social welfare rates".

Deputy Joan Burton: We have.

Senator Thomas Byrne: The Government has not.

Acting Chairman (Senator Paul Coghlan): One at a time, please.

Senator Darragh O'Brien: The Government has not maintained them. It is better to be upfront with people. The Government could not meet the promises it made in its election manifestos or the programme for Government. Of course savings must be made in social welfare. It is an issue with which the previous Government tried to grapple without the support of Fine Gael or the Labour Party.

The Minister was correct to refer to the deficit in the Social Insurance Fund, an issue that needs to be tackled. In the previous Dáil, I was a member of the Committee of Public Accounts alongside the Minister's colleague, the Minister of State, Deputy Shortall, who consistently raised this point as well. How will we replenish the fund if the Government reduces employers' PRSI as part of the jobs budget-initiative, which the past six months have proven does not work? The Government needs to revisit the jobs initiative and to stop taking money out of private pension funds.

Acting Chairman (Senator Paul Coghlan): We are on section 4.

Senator Darragh O'Brien: I appreciated the Minister's contribution to this debate. She stated that she was facing a difficult situation, namely, the deficit in the Social Insurance Fund. I agree with her in this regard, but the deficit will worsen if she allows employers to pay less into the fund.

If Senator Bacik wishes to continue an argument that is irrelevant to this section — if she wanted to grand stand, she should have made her argument on Second Stage — I will oppose every single question.

Senator Ivana Bacik: I object to that remark. I did not start the political posturing.

Acting Chairman (Senator Paul Coghlan): Order, please.

Senator Darragh O'Brien: The Minister will agree that my party is taking the Bill seriously. Our spokesman, Senator Mooney, is going through each section, we are affording the Minister an opportunity to respond, as we should, and we are listening to her. I will watch for the next

few hours. I will not allow this debate to disintegrate into the usual rubbish thrown across the floor by Senator Bacik.

Acting Chairman (Senator Paul Coghlan): Let us not be provocative.

Senator Darragh O'Brien: My party is perfectly entitled to raise any issue or question. We produced an alternative, costed budget. We will stand over our decisions in this Chamber. I will not listen to criticism from the Senator.

Acting Chairman (Senator Paul Coghlan): Point taken.

Senator Thomas Byrne: There has been a lot of guff about equality.

Acting Chairman (Senator Paul Coghlan): Senator Byrne should stick to section 4.

Senator Thomas Byrne: I am on section 4. We have heard a great deal of guff today. While it is great to hear civil partnership mentioned, it has nothing to do with the measure before us. Civil partners have been dragged into the net, as they always have been under the social welfare system. Irrespective of with whom one lived and whether one was married or single, income has always been taken into account. The cuts experienced by carers, old people and those with children cannot be dressed up as some type of pro-gay rights or equality initiative. They are cuts for the most vulnerable people in society.

Acting Chairman (Senator Paul Coghlan): The Senator should stick to——

Senator Thomas Byrne: This is how the cut is being dressed up.

Senator Marie Moloney: The Senator is being unfair. We are not dressing it up.

Acting Chairman (Senator Paul Coghlan): We will hear Senators one at a time. Senator Marie Moloney may speak later.

Senator Thomas Byrne: The use of the term “civil partner” and the fact that a partner’s income will be taken into account when the cut takes effect do not make it a major equality initiative. It is wrong to use this argument in defence of cuts for the most vulnerable. Senator David Cullinane made a highly relevant point in this regard. Job seekers were always treated differently from other social welfare recipients because, in theory, they could secure employment, although I accept this theory has been strongly undermined by the high unemployment rate. Carers are treated differently because they cannot go out to work on the grounds that they must look after someone else. Similarly, older people are treated differently because they cannot go out to work. One class of people affected, transitional pensioners, do not have the option of going to work because they would lose their benefit were they do so. Perhaps they are the only ones who should be equated to job seekers.

We have always looked after particularly vulnerable groups through the social welfare system. We have provided carers with a household benefits package which is not available to job seekers. Distinctions have been made during the years because, in theory, at least people of working age can try to get a job. That is the difference and it is wrong to bring benefits of different groups into line because doing so breaches the fundamental principle of fairness.

I accept that my party in government may, on a smaller scale and on one or two occasions, have introduced different entitlements for new claimants. When the measure proposed take effect and people start to notice they are receiving less than their neighbour, there will be uproar and we will hear the type of revolutionary language we are hearing at the meeting

[Senator Thomas Byrne.]

taking place in the hotel across the road on the household charge. People will not accept their neighbour having more money simply because he or she entered the system a little earlier. This will be a major challenge for the Government in the next few years. I am not trying to predict what it will or will not do, but it will come under pressure because it is consistently targeting new entrants to the social welfare system. It is not sustainable to continue this approach.

Senator Fidelma Healy Eames: It is important that we use this session to unpick the Social Welfare Bill. That is our job and there is no need for charges to be levelled by either side of the House. Let me get to the nitty-gritty of the issue. If a person is receiving a pension or benefit, for example, carer's allowance or invalidity benefit of approximately €200 a week, and his or her spouse is earning €400, the income of the household will be €600 a week. In such circumstances, the person will no longer qualify for the half-rate qualified child increase. Has this figure been poverty-proofed? As the Minister stated, the persons affected may be entitled to other welfare supports.

This brings me back to a written question I submitted to the Minister and the commission when I asked whether the latter had deliberated on total household income. What is the threshold for total household income below which other measures will kick in? We are only looking at part of the picture. A household in which one spouse is in receipt carer's allowance and the other earns €300 a week may also be in receipt of family income support. Until we assess the total income of a household, it is difficult to decide what is fair and unfair. I ask the Minister to respond on that point.

On a more general point, as many Senators have noted, the provision will apply to new rather than existing recipients of the payments in question. Does this approach make fish of one and flesh of another? While I am aware that we are living in difficult times, will new applicants not make the case that a transition period should have been introduced to move existing recipients to the new rate? We must be equitable on this issue.

I ask the Minister for a response to the two issues I have raised.

Senator Marie Moloney: Senator Thomas Byrne who has left the Chamber presented an argument on behalf of new applicants. Times were better when people applied for the benefit in the past and we must be realistic. More money was available and we were able to help such individuals. If we make a big issue about new and existing recipients, it may result in existing recipients losing their benefit. When people used to come to my office to ask why they could not receive a benefit that so and so down the road was receiving, I used to tell them that if they complained about so and so, he or she would lose the benefit if he or she was not entitled to it and the person making the complaint would still not receive it. I ask Senators not to make a big issue about current and new applicants. Times were better when people received approval for benefits in the past.

Deputy Joan Burton: A question was asked about total household income. We do not have the capacity to look at total household income. In some countries, notably Austria, the social welfare system is built around total household income. This means one includes in the income calculation payments that people in farming receive, which would be a significant amount in this country in some cases. One also includes university fees for those who receive a grant. Sometimes people think of total household income as being only income from social welfare payments when, in fact, households can receive income from a wide variety of sources. We do not have a system such as that in place in Austria and our social welfare system will not have the capacity to operate in that manner for a long time.

Senator Fidelma Healy Eames: Why not?

Deputy Joan Burton: The reason is that we did not build the system in that way. Instead, we built 50 or 60 separate schemes, disregards and conditionalities which vary according to the status of the individual, for example, his or her relationship, the age of children, older people and so on. What we are moving towards is a system of five parts relating to five conditions of one's life. We have the period of childhood and the period after a person reaches retirement age. Then we have three stages for people of working age, that is, the period between finishing education and retirement. In the case of the latter, we have three streams of payments. First, we have jobseeker's benefits for those who are out of work and seeking employment. Second, we have disability payments for persons with a certain incapacity, invalidity payments for persons with a higher level of incapacity and illness benefits. Third, we have lone parent payments which are based on relationship status. The general reform is to try to bring the three working age streams into line with each other. In the specific case under discussion, the measure already applies to job seekers and has been extended to others of working age and people who have retired on various pension structures.

I reiterate that the provision applies to people whose spouse or civil partner has an income in excess of €400 a week. The individual will receive the individual rate which is, in general, a minimum of €188 a week and his or her partner will have an income of at least €400. This is an income of €588 which would be augmented by child benefit in the case of households with children. While the income level of such a household is not enormous, it is significant. One of the principles in the Social Welfare Bill is to try to maintain the basic rates of payment for those on a basic rate of social welfare. Carers who rely on their carer's allowance for all of their income and older people who rely on the contributory or non-contributory old age pension, as is the case for the vast majority of pensioners, are not affected and their income is protected.

In the context of all the cuts made, Members from all sides will welcome this protection. Moreover, the basic income of carers has been protected.

Question put.

The Seanad divided: Tá, 30; Níl, 15.

Tá

Bacik, Ivana.
Bradford, Paul.
Brennan, Terry.
Burke, Colm.
Clune, Deirdre.
Coghlan, Eamonn.
Coghlan, Paul.
Comiskey, Michael.
Conway, Martin.
Cummins, Maurice.
D'Arcy, Michael.
Gilroy, John.
Hayden, Aideen.
Healy Eames, Fidelma.
Henry, Imelda.

Higgins, Lorraine.
Keane, Cáit.
Kelly, John.
Landy, Denis.
Moloney, Marie.
Moran, Mary.
Mulcahy, Tony.
Mullins, Michael.
Noone, Catherine.
O'Keefe, Susan.
O'Neill, Pat.
Sheahan, Tom.
van Turnhout, Jillian.
Whelan, John.
Zappone, Katherine.

Níl

Byrne, Thomas.
Cullinane, David.
Daly, Mark.
MacSharry, Marc.

Mooney, Paschal.
Mullen, Rónán.
Norris, David.
O'Brien, Darragh.

Níl—*continued*

O'Donovan, Denis.
Ó Clochartaigh, Trevor.
Ó Domhnaill, Brian.
Power, Averil.

Quinn, Feargal.
White, Mary M.
Wilson, Diarmuid.

Tellers: Tá, Senators Paul Coghlan and Susan O'Keeffe; Níl, Senators Paschal Mooney and Diarmuid Wilson.

Question declared carried.

SECTION 5

Question proposed: "That section 5 stand part of the Bill."

Senator Paschal Mooney: Section 5 provides for the implementation of certain provisions of Schedule 6 of the 2005 act relating to changes in the entitlement conditions for the State pension contributory and transition. It will mean in effect that there will be an increase in contributions from the current 260 weeks. Currently a person with an average of 20 to 47 PRSI contributions per year over his or her working life receives a weekly State pension of only €4.50 less than a person with a yearly average of 48 or more PRSI contributions. A lower pension will be paid to new applicants for State pension with a yearly average of less than 48 PRSI contributions which better relates to their PRSI record. The total number of paid contributions needed to qualify for widow's contributory pension and surviving civil partner's contributory pension will increase — correct me if I am wrong — from 156 to 520.

Deputy Joan Burton: It is 260.

Senator Paschal Mooney: I thank the Minister. It will go to 260 with effect from July 2013. This will directly impact on women who have left the workforce to rear children. As a result of taking parental leave they have a lower number of PRSI contributions. Combined with reductions in child benefit, back to school allowance and one-parent family allowance, there is very much of an anti-mother bias at play. I do not suggest that the Minister is anti-mother, but we are talking about the economics of the situation and whom it will affect.

I understand that approximately 115,000 people currently claim the pension and that these changes will increase by a considerable amount the payments needed to qualify. It is a major additional criterion for new applicants to satisfy and will disproportionately affect women who live longer than their partners. There seems to be a great deal of opposition to this provision.

Senator Marie Moloney: On a point of order, are we dealing with section 6 or section 5?

An Cathaoirleach: Section 5.

Senator Darragh O'Brien: Section 5.

Senator Paschal Mooney: It is section 5, pension contribution change.

Senator Marie Moloney: I apologise; I thought the Senator was discussing section 6.

Senator Paschal Mooney: There is a *raison d'être* for everything the Minister proposes which is why we question these things. I would be interested to know the context for this matter. When the decision was taken, was it anticipated that this would have a particular effect on

women who had left the workplace? Would it have been seen as somewhat discriminatory towards those who had voluntarily left the workplace to rear their children? While it is not down to this Government necessarily, over the past decade or 15 years there has been a trend towards getting women out of the home for purely economic reasons when the support should have been to provide the options rather than economically forcing or encouraging them out. It goes back to Charlie McCreevy's tax individualisation which may have started that trend. We are now in a new place and perhaps those women who left the workplace in good times to rear their children may now find themselves with a lower level of pay.

Senator Darragh O'Brien: On Committee Stage in the Dáil the section was amended to reduce it from 520 weeks. As my colleague has said, the Minister is introducing a two-year increase in contributions, which is significant.

Deputy Joan Burton: That is not until section 6.

Senator Darragh O'Brien: I am looking at section 5.

Deputy Joan Burton: We are on section 5.

Senator Darragh O'Brien: Section 5 states, "that the claimant has qualifying contributions in respect of not less than 260 contribution weeks" and the section is called "State pension (contributory) and State pension (transition) — conditions for receipt."

Senator Marie Moloney: It is a safeguard to protect people on existing pensions.

Deputy Joan Burton: When the Cathaoirleach calls me I can explain it.

An Cathaoirleach: Senator Darragh O'Brien, without interruption.

Senator Darragh O'Brien: Perhaps to save time, I might let Senator Cullinane in and I can come in after.

Senator David Cullinane: There is some confusion because I was minded to support section 5——

Deputy Joan Burton: That would be very sensible.

Senator David Cullinane: ——because I saw section 5 supporting an anomaly in the system.

Deputy Joan Burton: Exactly.

Senator David Cullinane: However, the explanatory memorandum may cause some confusion. It states: "*Section 5* provides that the implementation of certain provisions of Schedule 6 to the Social Welfare Consolidation Act 2005, relating to changes in the entitlement conditions for State Pension (Contributory) and State Pension (Transition) with effect from 6 April 2012, will not apply to existing recipients of those pensions."

Deputy Joan Burton: That is right.

Senator David Cullinane: That was the first part of it. I understood that because there was some difficulty with the timeframe that was inserted into the Act——

Deputy Joan Burton: No.

Senator David Cullinane: The purpose of this is to exclude those recipients because overnight their payments could be ceased if this was not changed.

Deputy Joan Burton: Senator Cullinane should listen to the resident social welfare expert and she will explain.

Senator Paschal Mooney: On a point of order——

Deputy Joan Burton: Senator Cullinane is correct.

Senator Paschal Mooney: I apologise if I misled the Minister and misled the House in this regard. I was of course arguing on section 6 and not section 5.

Senator David Cullinane: However, the Minister might be able to explain the second part of the explanatory memorandum: “Paragraph 3 of Schedule 6 provides for the increase in the minimum number of paid employment or self-employment contributions required to qualify for the State Pension (Contributory) and the State Pension (Transition) from 260 to 520 with effect from 6 April 2012.” Perhaps that is where the confusion arises.

Senator Marie Moloney: I think we are now all on the same sheet. In 1997 this was brought in and the Minister is only introducing legislation to safeguard people with fewer paid contributions and ensure their pensions will not be reduced. It is only regulating something which is a good measure and I hope all Members can support it.

Senator Brian Ó Domhnaill: Persons with a yearly average of between 20 and 47 PRSI contributions during their working lives receive a weekly State pension that is only €4.50 less than that paid to those with a yearly average of 48 or more contributions. If I read this provision correctly, the changes proposed mean that a lower pension will be payable to new applicants for a State pension with a yearly average of less than 48 contributions. This section, if approved, will give legislative effect to this measure which will have implications for new applicants for State pensions.

Moreover, I understand the section also includes a change in respect of late claims for certain contributory pensions. At present, they can be backdated on a reduced scale up to five years, but the period of such backdating will now be reduced to a maximum of six months. If that is the case, the section obviously will have a serious negative impact on new applicants.

Senator Marie Moloney: That is provided for in a different section.

Senator Brian Ó Domhnaill: If this measure is contained in a different section, Members can deal with it then.

Senator Marie Moloney: It is contained in section 9.

Senator Brian Ó Domhnaill: Very well. However, I seek clarity from the Minister on the reductions for new applicants for State pensions based on the changes in respect of PRSI contributions contained in this section.

Deputy Joan Burton: This provision is what is called a saver clause. It ensures people on existing pensions will not be affected by the increase in the requirement for contributions. Were the section not to be included, pensioners in receipt of both contributory and non-contributory pensions, but for the most part the former, would find they would need 520 contributions. The increase in the number of contributions required was legislated for in 1997 and again in 2005. Consequently, the reference to Schedule 6 is to the Social Welfare Consolidation Act 2005. It

is coincidental that the next section is section 6. While they are two different legislative items, I can understand the confusion caused.

Senator Darragh O'Brien: That is fine.

Deputy Joan Burton: Essentially, because of the deficit in the social insurance fund and, more particularly, because we have more older people who thankfully are living longer, all Governments of all parties, dating back to the early 1990s, have sought to have people make increased levels of contributions to contributory pensions in the social insurance system. This is in order that when they become older, there will be enough money in place to provide for their pensions. I do not believe any party in either House of the Oireachtas has disagreed with this principle. This is a long-term measure which first appeared in legislation in 1997.

There was a reference to people who might have left the workforce to become involved in caring duties in the home. Members should also bear in mind that we have built up, again with all-party agreement, a comprehensive system of carer's and household credits for those in the home. If they are not working, they can apply for credits. I reiterate that if someone for some reason is working in the home, he or she should always be careful to apply for credits because, together with paid contributions such as those under discussion, ultimately, they build their entitlement to the maximum State contributory pension. The Government is introducing this clause in the legislation to ensure the existing cohort of pensioners currently in receipt of the State pension who have less than 520 paid contributions are protected.

In essence, the Government will move to the new structure next April, for which, as I stated, the framework has been in train since 1997. It will mean, for instance, to revert to Senator Brian Ó Domhnaill's point, that people who have built a full set of contributions will receive slightly more than those with fewer contributions. However, this has always been part of the structure towards which the entire Oireachtas has been moving. Members should bear in mind that in our system someone who has no contributions and lacks means may apply for a non-contributory pension. Ireland's system, compared with many others, is relatively generous and, thankfully, the level for both contributory and non-contributory pensions is relatively high. While I understand the sentiments expressed by many Senators to the effect they would wish to see it higher, so would I, but the Government does not have the financial means to provide for this. Many have even been calling for cuts to the basic level of pensions and I have been happy to state I have been able to resist this in respect of both contributory and non-contributory pensions. However, I understand this does not go as far as many Members of the House might wish.

Question put and agreed to.

SECTION 6

Question proposed: "That section 6 stand part of the Bill."

Senator David Cullinane: This section deals with an increase in the number of contributions that will be necessary to avail of a widow's pension or a surviving civil partner's pension. Judging from the Bill, the threshold will increase next year from 156 contributions to 260 and in the following year from 260 to 520.

Deputy Joan Burton: No. I will explain when the Senator has concluded.

Senator David Cullinane: Certainly in 2012, an increase from 156 contributions to 260 is envisaged. This is an increase from three years' contributions to five years'. This is similar to the debate that took place earlier on the disablement allowance payment in that Sinn Féin is

[Senator David Cullinane.]

concerned that this, again, could be a slippery slope, as the threshold appears to be increasing all the time. The number of contributions necessary to qualify for a widow's pension appears to be increasing all the time. Moreover, as Sinn Féin, in principle, believes people should be entitled to such pensions, it cannot support the incremental increase that appears to be built into the section.

Senator Marie Moloney: While the necessary number of contributions will increase next year, it certainly will not rise to 520.

Senator David Cullinane: Very good.

Senator Marie Moloney: The Minister has made provision that it will not increase to 520 contributions which would equate to ten years' work. Applicants for widow's pension have always been assessed very generously when compared with those applying for old age pensions. There is no yearly average or anything like it, as it simply depends on the number of contributions paid in the year before the death occurred or over one's lifetime. I have only one concern in this regard which the Minister might consider in due course. It pertains to young widows or widowers, as, although everyone refers to this benefit as widow's pension, it is also payable to widowers and as such, applies to both men and women. My concern is that someone in his or her early 20s could be widowed and left with children. I acknowledge such persons may be able to claim lone parent's allowance or other payment if they do not have five years' contributions. In due course the Minister might consider graduating such contribution thresholds by age. In such a scenario, it might not be necessary for a widow or widower aged under 25 years or his or her deceased spouse to have five years' contributions. Consideration should be given to the possibility of deciding that such individuals might not have had the chance to build up contributions. Certainly, as people now emerge from college later in life, they might not have had the chance to have five years' contributions. I, therefore, ask the Minister to revisit this issue at some stage.

Senator Paschal Mooney: I add to the concerns expressed. I assume what is happening is that the provision will align the rate of pension paid with the contributions made, while increasing the number of paid PRSI contributions needed to qualify for both widow's and widower's pension. In addition, I understand it will take effect from July 2013.

Deputy Joan Burton: Yes, from 27 December.

Senator Paschal Mooney: Apart from the financial impact, there is a concern that the long-term unemployed and those who have taken early retirement will be among the most vulnerable. I would be grateful for an explanation on this issue.

Senator Brian Ó Domhnaill: This section increases the widow's, widower's and surviving civil partner's contribution from three years to five years and takes effect from July 2012, if I am correct.

Deputy Joan Burton: No, December 2013.

Senator Brian Ó Domhnaill: Obviously the explanatory notes have changed. There have been a few changes since the budget announcement. I understand there are 115,000 individuals in receipt of a widower's contributory pension. Is it correct to say that those in receipt of a contributory pension will not be affected by these changes?

Deputy Joan Burton: No.

Senator Brian Ó Domhnaill: Therefore, we are only looking at new applicants. Because people have lost a partner, husband or wife, they will find it more difficult to obtain a contributory pension. This is the wrong group of people to target. There are other areas within the social welfare budget where savings could be made without going after surviving spouses. In many cases these people, young mothers and young fathers, have to provide for families without additional income. If the breadwinner in the house passes away the wife will not be entitled to a contributory pension because of the changes proposed. This will affect the vulnerable, those who have lost husbands, wives or civil partners. Given that the Minister is targeting the wrong group, in conscience I could not support the proposals in section 6.

Senator Darragh O'Brien: A fundamental problem is that these are some of the changes in eligibility for contributory pension which the public does not fully understand. I note the death must occur after 27 December 2013. To give an example, a new male or female applicant at home who has worked for a period may have qualifying contributions of less than 260. The Minister mentioned the importance for those working in the home and rearing their families of signing on for their own credits. What provision will be made for that in so far as eligibility is concerned?

Deputy Joan Burton: They will keep signing on.

Senator Brian Ó Domhnaill: They will just keep signing on. While there are many other headline items in the budget that get far more prominence, what provision is made for public information in regard to the eligibility changes? We all have met people in our constituencies who are working from the home who do not continue to sign on. Obviously this Bill will be passed and become an Act of the Oireachtas. Given the substantial number of eligibility changes in the Bill, it is incumbent on the Department to embark on an information campaign in respect of those changes. Senator Marie Moloney is correct that it is mainly widows and widowers who will be affected who in many instances may not have been in the workplace but have worked at home over a period of years, who would not get the information easily and would not interact with the Department. We will be opposing the section. Our spokesperson, Senator Paschal Mooney, and Senator Brian Ó Domhnaill gave the reasons. Assuming the Bill will be passed, I ask the Minister's Department to consider embarking on an information campaign on entitlements, particularly how an individual working at home would go about continuing their credits to ensure they get their entitlements.

Senator Mary M. White: As I said earlier, in my political career, this is the most socially regressive budget we have ever had. I am not being personal when I say that Senator Marie Moloney seems from her tone of voice to be happy with it. She is so informed that she feels relaxed about it. She is not irate——

Senator Marie Moloney: That is a personal remark.

Senator Mary M. White: I am just giving the Senator my honest opinion.

An Cathaoirleach: Senator White——

Senator Marie Moloney: That is a spurious and personal remark.

Senator Mary M. White: The Senator appears to be very up to date with all the information, but she is too peaceful in her heart. She should be robust in——

An Cathaoirleach: I ask Senator White to speak on section 6.

Senator Mary M. White: The total number of paid PRSI contributions needed to qualify for widow's, widower's and surviving civil partner's contributory pension will increase from 156 to 520 contributions with effect from July 2013.

Deputy Joan Burton: No, that is wrong. The number is 260 with effect from 27 December 2013.

Senator Mary M. White: I accept it was changed on Committee Stage. The change in eligibility is a penalty on the vulnerable young men or woman rearing young families. The latest survey on income and living conditions published by the Central Statistics Office shows an increasing income inequality between those at the highest level of income and those at the lower level. When a family loses one parent, that is a severe blow, but to impose a financial penalty on them is something we on this side of the House cannot support.

Senator Cáit Keane: I wish to make a brief contribution. I am standing in for our spokesperson, Senator Fidelma Healy Eames. I congratulate the Minister, who has a difficult job. The entire House has recognised that she has probably one of the most difficult portfolios and is one of the best people to deal with it. As I said when speaking on another issue, her heart is in the right place. Due to the difficult budgetary situation, it is hard to find money. My colleague was castigated for being informed. Being informed is one of the best attributes one can get. There was also a reference to her tone of voice. She is a very relaxed person and I would not take her tone of voice to take into consideration——

An Cathaoirleach: Will Senator Keane speak to the section, please?

Senator Cáit Keane: No, I think the Senator——

An Cathaoirleach: Will the Senator please speak to section 6?

Senator Cáit Keane: Yes. The requirement is not for 520 contributions but 260. Either Senator White took that up wrong or she was reading from an old script. I appreciate it has been corrected. It is important for everyone to be informed, myself included. In respect of section 6, at a time when changes are being introduced to State pensions, such as the new rate, which reflects the level of contributions paid over a working life, it is essential that a consistent approach is applied to all relevant schemes across the social welfare code. Everybody would like if individuals qualified for the State pension with zero contributions.

Senator Darragh O'Brien: No, I would not agree with zero contributions.

Senator Cáit Keane: That would be an ideal, Utopian world. However, a consistent approach must be applied. It is difficult for people to know their entitlements. Senator Ó Domhnaill's recommendation that people be informed of the new regulations is a valuable one which I hope the Minister will take on board.

Senator Mary M. White: The Minister will be aware that I am a fan. However, there is something radically wrong in the partnership in Government between Fine Gael and the Labour Party. Of the 15 people at the Cabinet, only two are women. I really think the Minister should give a kick in the shins——

An Cathaoirleach: Will the Senator please speak to section 6?

Senator Mary M. White: ——to some of the men to prevent them from adopting these regressive measures.

An Cathaoirleach: Senator White, we are dealing with section 6.

Senator Mary M. White: There are only two women in the Cabinet. That is the reason this budget is so severe socially.

An Cathaoirleach: We are on section 6.

Senator Cáit Keane: I agree this time with Senator White.

Senator Marie Moloney: I just have to respond to the remarks by Senator White.

An Cathaoirleach: We are on section 6. We cannot be——

Senator Marie Moloney: I will try to keep my tone of voice civil. Anybody who knows me knows that is the way I always speak. I always try to be of a happy disposition. Nobody can argue that. As a Labour Party Senator, it is very hard to stand over the cuts that are being made and it does hurt, but I know it has to be done, as I know most of the Opposition——

An Cathaoirleach: On the section, please. We have to get through the Bill.

Senator Marie Moloney: I wish to reply to the comment levelled at me by a Senator who said: “She seems to be happy with it, [the budget] in her tone of voice.” If I must change the tone of my voice, I will. When I listen to what is played back on radio, I run, as I have never thought my voice is that nice.

Senator Paschal Mooney: Will the Minister comment on the concerns expressed about the provisions of this section, that it will force parents to look at full-time employment once a child reach seven years of age, without providing the necessary child care supports? I welcome the Government’s continuing commitment, under the Minister for Children and Youth Affairs, Deputy Frances Fitzgerald, to supporting child care services across the country, particularly in the State sector. I am pleased to learn, therefore, that there has been no cut in the budget this year for the statutory child care committees. I am chairman of Leitrim child care committee and a meeting was held earlier today in the IFSC with departmental officials.

An Cathaoirleach: That matter is dealt with in a different section.

Senator Paschal Mooney: In the context of the provision of further child care supports, I ask the Minister to comment on the impact of the proposals contained in this section. While no provision of additional child care supports is mentioned, I acknowledge the budgetary position. Will the Minister comment on the concerns expressed that in practice the provisions of the Bill close community employment schemes to lone parents and will stop them accessing employment, and that in reducing income disregards——

Senator Marie Moloney: On a point of information, the Senator has moved to another section.

Senator Paschal Mooney: I will bow to the Senator’s greater wisdom.

Deputy Joan Burton: I will deal with the changes to the numbers of contributions required for widow’s, widower’s and civil partner’s contributory pension. There are 113,860 people in receipt of a contributory pension at a cost of €1.3 billion to the State. There are about 2,000 people receiving non-contributory widow’s, widower’s or civil partner’s pension at a cost of

[Deputy Joan Burton.]

€19 million. We spend a relatively large amount of money on widow's, widower's and surviving civil partner's pensions.

The issue relates to demographics and ageing. Thankfully, for those who lose a husband, wife or partner, this happens when they are older. Under our system, to qualify for an old age pension, one needs to have ten years' contributions. However, to receive widow's, widower's or surviving civil partner's pension, one needs to have three years' contributions. It is important to bear in mind that these may be the contributions either of the surviving or deceased spouse. I point out to Senator Mary White that the entitlement to a pension is not limited to the survivor's contributions but extends to the contributions of the deceased person.

In the case of a widow, whose husband was at work, it is generally highly likely that her deceased husband would have had at least three years' contributions. From the end of 2013, there will be a requirement to have five years' contributions. However, a person seeking to receive old age pension will be required to have ten years' contributions. We are very much taking into account the shock to the surviving spouse of the death of his or her spouse in making the contributions requirement significantly lower than for contributory old age pension. That has been a feature of the social welfare system that has been supported by all parties in the House and it should continue to be supported, as it is a great shock for a married person when his or her spouse dies. Many are aware of people in their own families and the difficulties losing a spouse poses.

Where a younger person loses a spouse, he or she may be still in work. Under the system that person will receive widow's or widower's pension. We are increasing the required number of contributions from the end of 2013 by two years. As Senator Paschal Mooney was concerned about a wife who worked in the home and whose deceased husband had lost his job, provided that she has built up by 2013 either five years of paid contributions or a mixture of paid contributions and credits, she will qualify for widow's pension.

The threshold is very generous. The reason it has increased is that the population is larger. It is not appreciated that for the past ten years a significant percentage of the increased cost of social welfare under all the headings has to do with the increase in population. We are blessed to have more children and that more older people are living longer, but the consequence for the social welfare bill, leaving aside all other events, is that, based on population statistics, it continues to go up and up. We must design the structure of the system in a way that we will have sufficient contributions going into the fund during the working lives of people in order that when there are difficult events such as the bereavement of a spouse, we will have enough money to provide for a decent level of widow's and widower's pension.

To return to Senator Brian Ó Domhnaill's point, it is important to communicate that anyone currently out of work or working in the home should sign on for credits. I will take into account the comments made on conducting an information campaign. The Department funds the Irish National Organisation of the Unemployed to produce a very fine booklet every year on the social welfare changes made. We also do this with a number of other organisations, including the MABS and the Citizens Information Board which also give information to individuals. It is important that people be fully aware that they are entitled to sign on for credits.

Senator Mary White asked about the most difficult points for women and children in the history of introducing budgets. One of the most difficult was the change to individualisation because the basis of the system was changed. The traditional two-parent family, with one parent engaged full-time in work and the other working in the home, was treated differently. We are discussing those in receipt of social welfare payments, but we must bear in mind that many low

income workers in single income families do not rely on such payments. The individualisation model was adopted by the former Minister for Finance, Charlie McCreevy, and such families would normally only be in receipt of child benefit. Hence, its universality is important to them to give them a leg up. I have, therefore, asked a working group to consider these issues. It is probably a question of aligning the IT used in Revenue with that used in the social welfare system in order that we can move to using a universal credit system, as championed by Dr. Seán Healy for a long time. If benefits were provided through the tax system, they would be refundable if one's income was low and counted for tax purposes if one's income was high. Our systems are not yet there.

An Cathaoirleach: I welcome to the Visitors Gallery a former Member of the House, Dr. Trevor West.

Senator Marie Moloney: Senator Darragh O'Brien's proposal on informing people was a good one. It is easy to refer to the Money Advice and Budgeting Service, MABS, and Citizens Information, but one might not be up to speed on social welfare provisions if one is at home looking after kids. Unless a spouse is terminally ill, no one knows when he or she will become a widower or a widow. It could be me or any other Senator tomorrow morning. Homemaker's credits are important, as they are provided for women who give up work to look after children. They should ensure they receive them, as they will be invaluable later in life. Could we embark on an information campaign to this end?

I seek clarification on the widowed parent's grant. I presume the qualifying criteria will increase in line with those for survivor's pension. Younger people might not have made the necessary contributions and, as such, must opt for non-contributory survivor's pension, despite the fact that they have young children. The grant is invaluable to such parents. Owing to the goalposts being moved, some might lose out on receiving a contributory pension. Irrespective of whether one has made contributions, being widowed hurts and the widowed parent's grant is invaluable to many young parents.

Deputy Joan Burton: The conditions applying to the widowed parent's grant which amounts to €6,000 on the death of a spouse are unaffected by this measure and will continue as they are.

Senator Marie Moloney: To qualify for a widowed parent's grant, one must qualify for contributory survivor's pension. Will the qualifying criteria move in line with the requirement to have made 260 contributions?

Deputy Joan Burton: They stay the same.

Senator Marie Moloney: They will move.

Deputy Joan Burton: To qualify for widow's, widower's and surviving civil partner's pension, the spouse or civil partner must have made 156 contributions by the date of death or before reaching 66 years of age, whichever is the earlier, and have an average of 39 paid or credited contributions in either the three or five years before the death of the spouse or civil partner or before reaching 66 years of age, or an average annual figure of at least 24 paid or credited contributions from the year of first entry into insurance until the year of death or before reaching pension age. If this average is used, it will give an entitlement to receive a minimum pension. An average of 48 contributions per year is required before one receive the maximum pension.

Question put.

The Committee divided: Tá, 28; Níl, 14.

Tá

Bacik, Ivana.
Bradford, Paul.
Brennan, Terry.
Burke, Colm.
Clune, Deirdre.
Coghlan, Paul.
Comiskey, Michael.
Conway, Martin.
Cummins, Maurice.
D’Arcy, Michael.
Gilroy, John.
Hayden, Aideen.
Healy Eames, Fidelma.
Heffernan, James.

Henry, Imelda.
Higgins, Lorraine.
Keane, Cáit.
Kelly, John.
Landy, Denis.
Moloney, Marie.
Mullins, Michael.
Noone, Catherine.
O’Keeffe, Susan.
O’Neill, Pat.
Sheahan, Tom.
van Turnhout, Jillian.
Whelan, John.
Zappone, Katherine.

Níl

Cullinane, David.
Daly, Mark.
Leyden, Terry.
MacSharry, Marc.
Mooney, Paschal.
Mullen, Rónán.
Norris, David.

Ó Clochartaigh, Trevor.
Ó Murchú, Labhrás.
O’Brien, Darragh.
Power, Averil.
Quinn, Feargal.
White, Mary M.
Wilson, Diarmuid.

Tellers: Tá, Senators Paul Coghlan and Susan O’Keeffe; Níl, Senators Paschal Mooney and Diarmuid Wilson.

Question declared carried.

Business of Seanad

Senator Maurice Cummins: I propose an amendment to the Order of Business, that the House conclude its deliberations on the Bill at 5 p.m rather than 4 p.m.

Acting Chairman (Senator Terry Leyden): Is that agreed? Agreed.

Senator David Norris: The Leader’s amendment should be welcomed rather than agreed. We should express our thanks to the Minister and the Leader for arranging the extension.

Social Welfare Bill 2011: Committee Stage (Resumed) and Remaining Stages

SECTION 7

Question proposed: “That section 7 stand part of the Bill.”

Senator Paschal Mooney: As Senator Norris stated, we are grateful to the Leader and the Minister for extending the debate. I am glad that the latter is remaining in the Chamber because we can only benefit from having the line Minister present for debates of this nature.

I thank Senator Moloney for correcting me earlier. I was so absorbed in trying to marshal arguments in respect of various sections that I got ahead of myself. I have already made a number of points in respect of section 7 with regard to the cut to one-parent family payment.

Will the Minister, as was the case with previous sections, provide the justification for this cut? There is a concern that what is proposed in this regard could have a disproportionate impact on mothers, particularly as 98% of those who receive the one-parent family payment are women. One-parent families are at greater risk of poverty than most other families. Those in one-parent families are four and a half times more likely to live in poverty.

I am sure the Minister would agree that we must continue to provide sufficient support to the vulnerable mothers to whom I refer. The changes in the income criteria, the penalisation of recipients who make the effort to upskill and join community employment, CE, schemes and the dramatic halving of the eligibility age will hit these mothers rather hard.

3 o'clock I would again welcome an explanation from the Minister in respect of this matter, particularly in the context of the restrictions relating to CE schemes. The entire thrust of the Bill — which the Minister outlined earlier in this debate and on Second Stage — and that of the wider programme for Government relate to job creation. The current Administration has stated that it is concerned with encouraging people to enter or re-enter the workforce rather than the opposite. It appears that the proposals contained in this section were framed in the context of making savings of €20 million next year and of approximately €112 million overall. Will the Minister indicate whether she is of the view that saving money on the one hand will give rise to financial difficulties on the other, particularly given that making such savings inhibits certain individuals from increasing their incomes through upskilling?

There is a matter I had intended to discuss in the context of section 15 but given that the Minister touched upon it briefly, I will raise it now. I refer to the responsibility of employers in this area. In general, initiatives aimed at providing supports to people always seem to come from the Government side. What is the role of employers in this regard? We can discuss employers' responsibilities or the lack thereof when we reach section 15. Radical changes are taking place in the economic landscape — not just in Ireland but across Europe — in the context of conditions of employment, job opportunities, re-education and upskilling. Dealing with all of these matters and developing initiatives in respect of them is too big a burden for the Government to bear alone. The State cannot be expected to provide all the necessary employment and upskilling opportunities. Successful employers, particularly many of the multi-nationals, have a role to play in this area. There is an overriding concern that what is proposed in section 7 is going to restrict, inhibit or, at best, discourage those in one-parent families from accessing real job opportunities or upskilling themselves in order to be in a position to avail of those opportunities.

Senator Trevor Ó Clochartaigh: Cuirim fáilte roimh an Aire. Is mór agam deis a fháil labhairt ar an mBille iontach tábhachtach seo. Sílim go raibh éagóir á dhéanamh ar daoine le míchumais sna moltaí a bhí déanta i dtús. Is maith an rud é go bhfuil an smaoinreamh sin curtha ar leac oighir faoi láthair. Tá súil agam go dtarraingeofar siar go hiomlán an moladh maidir le daoine le míchumais. Sílim go bhfuil éagóir mór eile sa Bhille — an leatrom atá á dhéanamh ar tuismitheoirí aonair. There has been one instance of a rowing back or a pause in respect of the cut to the disability allowance. I hope that pause, which is welcome, will become permanent in nature.

The provisions in section 7 are going to have a dramatic effect on one-parent families. A huge number of issues arise in respect of this section and section 11, and people are extremely concerned with regard to the overall effect of the budget and of the Bill on one-parent families. Frances Byrne of OPEN has stated that “The changes to the One-Parent Family Payment combined with the cumulative effect of other cuts, plus changes to Community Employment schemes are nothing short of a disaster for one parent families.”

[Senator Trevor Ó Clochartaigh.]

One cannot deal with the cut to the lone-parent allowance in isolation. If it were a stand-alone cut, then it is possible that it could be justified. However, the cuts being made to child benefit, the fuel allowance and the back to school allowance, the increase in respect of the cost of school transport and the imposition of water, household and septic tank charges will all have an effect on one-parent families. Let us place this matter in context. Some 65% of the country's children are in one-parent families. Those in such families are four times more likely to live in consistent poverty than their counterparts in other families. Those parenting alone were the most negatively affected by the previous budget, losing almost 5% of their annual incomes. Lone parents and their children were poor during the Celtic tiger era and they remain so now. Those in one-parent families experience low levels of education. What is proposed in the Bill is going to impact on one-parent families in a number of ways. Any measure that will diminish the support being given to such families is extremely retrograde in nature. I am surprised, therefore, that such a measure has been brought forward by the Minister who fought for the rights of those to whom I refer in the past. I call on her to reconsider what is proposed.

Senator Mooney is correct when he states that we need to encourage as many as possible of those who parent alone to return to full employment. On a previous occasion the Minister and I discussed the JobBridge programme, in which those to whom I refer are prevented from taking part as a result of the fact that they will lose some of their secondary benefits. That is unfair and it does not send out the right message. With the cuts proposed there is no incentive for someone in a one parent family to seek gainful employment or to take up a community employment or JobBridge scheme to try to get back into employment. This section and section 11 in particular are penalising one of our less vocal groups in our society because they are so busy raising their children. They do not bang the drum as much as other groups, and they may not be as big a lobby as other groups. These are unfair measures. I look forward to the Minister explaining her rationale behind these cuts because they will affect one of our most vulnerable groups. Other options were available to this Government. Sinn Féin outlined those clearly. We believe this is the wrong option to have taken. It was not fair to pick on this particular group of people and we call on the Minister to try to redress the matter.

Senator David Norris: I am interested in the language employed — one-parent family — and I wonder if the Minister could comment on that because the people in the many organisations that represent this kind of family unit describe themselves as lone parents. I do not think it is biologically possible to have a one-parent family. There have to be two parents. Is there some reason for using the phrase “one-parent family”? I do not want to be tendentious but perhaps that could be amended to “lone parent”.

I hesitate to disagree with my colleague, Senator Paschal Mooney, but while the majority may well be women, the men who take on this responsibility are equally deserving of the praise of society. I would not like to go back to the day when we all accepted that a woman's place was in the home, although I am sure that was not what Senator Mooney intended.

Many of the arguments have been rehearsed by my colleagues, including Senator Ó Clochartaigh, about the greater impact of this measure on lone parent families in terms of driving them towards poverty. There is something mean about the application of it to gross weekly earnings in particular because that means the full total is taken into account, regardless of all the various taxes and impositions already extracted. It is unfair on somebody who has the initiative to go out and seek work, and invariably it is part-time work they get. It is an indication of how low the levels are already if part-time work earnings can be taken into account. The Minister might examine whether that should be gross or net weekly earnings. I would prefer if it was net of all extractions because if the Minister takes the gross earnings into account in these situations

where budgets are carefully balanced, it is as if she is assuming that the recipient is getting the full amount when they are not. I ask that that amelioration be made. I know this House cannot do anything that would impose a charge on the Exchequer but there is something particularly mean about taking gross weekly earnings into account.

I may be misinterpreting this section, and the Minister might comment on it, but section 7(1)(c) appears to be part of her defence strategy in the sense that she has ameliorated the position somewhat by this subsection in that it helps to reduce the grosser impacts of it. If this was part of the Minister's battle, and if it was successful, the record of the House should show some degree of commendation to her on achieving that.

Senator Fidelma Healy Eames: It is a pity we are not taking sections 7, 11 and 14 together because they are all about the one-parent——

Acting Chairman (Senator Terry Leyden): We are on section 7 only.

Senator Fidelma Healy Eames: I accept that but it is a pity, given our time and the——

Acting Chairman (Senator Terry Leyden): I regret that but, procedurally, that is the position.

Senator Fidelma Healy Eames: With regard to section 7, I am conscious there is a deadline of 1 January for discontinuance of the transitional measures that enable one-parent families to continue to be paid for a period of up to six months where a claimant's earnings exceed €425. We are only three weeks away from 1 January. Have these one-parent families——

Deputy Joan Burton: It is new. It does not affect existing people receiving a payment under the transitional measure.

Senator Fidelma Healy Eames: I see that, but will it affect anybody at the moment?

Deputy Joan Burton: No.

Senator Fidelma Healy Eames: That was my question because notice is important in terms of preparation, particularly around the Christmas period with the extra spending and so on.

Senator Mary M. White: For the benefit of my Seanad colleagues who were not here earlier when I spoke, the fact that there are only two women out of 15 sitting at the Cabinet——

Deputy Joan Burton: We are working on it.

Senator Mary M. White: It is a long time.

Deputy Joan Burton: Yes, very long.

Senator Trevor Ó Clochartaigh: A female Minister for housing——

Senator Mary M. White: There should be a more equal balance in terms of equality between men and women in Government. They are far more socially advanced in the Nordic countries.

I find it extraordinary that the Labour Government was not willing to increase the levels of income tax for people earning a high income. That is beyond me.

Acting Chairman (Senator Terry Leyden): We are on section 7. The Senator's mobile phone or computer is causing interference with the recording system.

Senator Mary M. White: I would prefer to pay more income tax rather than deprive a one-parent family of the money it will lose in these cuts. Reducing the age requirement from 14 to seven years——

Senator Fidelma Healy Eames: That is not in this section.

Senator Mary M. White: The cost of child care will prevent women from going back to work.

Acting Chairman (Senator Terry Leyden): I apologise for interrupting the Senator but we are on section 7.

Senator Mary M. White: I am speaking on section 7 regarding the one-parent family cutbacks.

Acting Chairman (Senator Terry Leyden): My apologies.

Senator Mary M. White: A total of 98% of recipients of one-parent family payment are women. I did a newsletter on the budget in which I said it was anti-women and anti-family. Two of the eight measures taken were regressive. For the Members who were not here earlier, I stated that on 30 November the CSO, in a survey on income and living conditions, indicated that people on higher incomes were earning five times more than those on lower incomes and that the risk of poverty was 15.8% compared with the previous year when it was 14.1%, the bottom line being that lone parent families are at greater risk of poverty than most other families. A person in a lone parent family is four and a half times more likely to live in poverty. I find it difficult to understand, in this partnership between the Labour Party and Fine Gael, how the Labour Party Ministers in Cabinet could support cutting the lone parent payment rate. It is incomprehensible. As I said earlier, a good kick in the shins of those men at the Cabinet table might have stopped these cuts. We have passed many laws that came before this House but because there are not an equal number of women and men making the decisions, much of it is not socially progressive.

Acting Chairman (Senator Terry Leyden): It is a very big table.

Deputy Joan Burton: There are 92,000 lone parent families in Ireland, which is a larger number than in other European Union countries. There are about 154,000 children in lone-parent families.

The purpose of this particular section is to end the current transitional payment to lone parents who take up employment where they have an income of more than €425 per week. This transitional payment to lone parents was only introduced in 2001 and was a new development in the social welfare system at that stage. It was introduced for a period of one year. It was abolished completely in 2004 because it was felt it did not have much effect. In 2005, it was brought back on a six month basis. At any one time, up to about 200 lone parents may claim it. However, it does affect people who have an income. I am at pains to stress that the change does not affect anybody who is currently in receipt of it. They will continue to receive it for the full six months.

I said before that any and all of the cuts in this budget are difficult. We need to have a debate about the outcomes for lone parents in Ireland. I have heard what everybody has said about the higher risk of poverty among lone parents, and the study referred to by Senator White shows that for lone parents, pensioners, jobseekers and others on social welfare income, the biggest factor in reducing poverty is actually our social welfare system. Our social welfare system is a very profound economic stimulus. The chart in the CSO report shows that our very generous social welfare system massively reduces the incidence of poverty, and that is very important. That is why, having looked at the data, I made a strategic decision to seek to

maintain the basic core payment to lone parents, pensioners and so on, and to maintain the core rate of child benefit at the €140 threshold. I felt that this was the best way of maintaining the core income of people on social welfare across a wide range.

It was suggested that we cut the basic rates of social welfare, but as I said earlier, lone parents have taken a cut of €16 in the basic rate over the last two budgets, while couples on social welfare have taken a cut of €27 per week in the basic rate. If child benefit was to be cut by €10 per month, then somebody who has six children would suffer a loss of €60 per month. However, there is no change at all to the rate of payment for the first two children. While many commentators wanted flat rate cuts across the board, the changes have been managed in a way that conserves core family income to the greatest extent possible consistent with the requirement to make these large savings in social welfare.

When I became a member of the Cabinet, the cuts on the table in the Department of Finance were for more than €600 million. That had come down from €800 million. It came down because, unfortunately, we have an extra 40,000 people unemployed. That is one of the core problems with the Irish economy.

I would like to return to the issue of lone parents. As Senator White said, I have spoken about this before and I am very interested in it. The lone parent's allowance — the unmarried mother's allowance as it was called then — was introduced by the late Frank Cluskey. It was introduced in a situation where the only choice for women parenting on their own, if they could not get family support, was to move abroad. In many cases, children were institutionalised. The introduction of this allowance in the 1970s was one of the contributing factors to institutions closing down in the following decade. That was one of the great positive things in Irish social history. However, 40 years later we have to ask ourselves as a society why the outcomes for lone parent families are still worse than any of us here would like, particularly in respect of children. People who have worked in the area would say that those among the 92,000 lone parents who have the worst indication of poverty are those who have left school early and not completed their education. Having not completed their education or gone back to education, their prospects of becoming economically independent and moving away from total reliance on social welfare are stymied in the system that we have developed.

Everybody who is concerned about good outcomes for lone parents and their children really has to think about all this. As Minister for Social Protection, I have an objective to see the outcome for lone parents improved. I will be saying a couple of things to my colleagues in the Cabinet, bearing in mind that I and the Minister for Children and Youth Affairs are the only two women Ministers. We know that lack of access to quality education is a limiting factor. We also know that lack of access to child care, especially good quality child care, is another limiting factor. I want to say to my colleagues in the Government — as I have said to them in private — that changes in the lone parent's allowance over five to seven years to move closer to the Nordic model are dependent on improving child care and access to child care at the same time.

I welcome what Senator White said about the small number of women in the Cabinet. There is an issue here. If there were a greater number of women, as happens in the Nordic countries, we would reach a tipping point where the argument about the quality and availability of educational opportunity and child care would become the common currency of political discussion. That is something about which we need to have a conversation.

I am not sure that the Department of Social Protection, hopefully in five or ten years' time, should be primarily interested in the relationship status of somebody as the determining factor in their description of a wider Irish society. I hope we move to a day when there are "parents" and "children". It may be useful for social income purposes but, for example, I have never

[Deputy Joan Burton.]

been happy about a school being described as having many children with lone parents. Some people who may otherwise be very caring seem to have a sense that lone parents have less ability. I share Senator Norris's concerns with regard to the other parent. We are coming up to Christmas, but apart from such special circumstances people have two parents. We need to have a deeper debate.

The study published recently by the ESRI is very interesting. Senator Mooney referred to this and drew my attention to it and I have had a look at it. It shows that although there has been divorce in Ireland for 15 years the incidence of second marriage in Ireland is exceptionally low and the incidence of second or third cohabiting relationships is very low. The authors of the study wondered whether this is influenced by the structure of lone parenting we have built up in the social welfare system. They did not go into it any further but they wondered why in other countries people remarry. People might have a child early in a relationship in their late teens or 20s. Perhaps this relationship does not last and they then parent on their own. In many cases they will meet somebody else and may have another child or children. The study asked whether people are inhibited by the structure we have developed from being involved in a second publicly-acknowledged relationship or a second marriage. Irish society does not seem to do this.

We have changed in the sense that when the payment was introduced there was an element of stereotyping of people. Are people interested in other people's relationship status?

Senator Mary M. White: No.

Deputy Joan Burton: I do not think they are. Some people decide to get married or cohabit after they have had children. There is much personal choice and we have many different types of families about which we have learned more in recent years. To return to what Senators were saying, the one great difficulty is the fact that with regard to an income-poor lone parent who does not receive an opportunity, particularly through education, the prediction of the CSO is that the child in turn will become a poor adult. We spend much money and the question we must ask ourselves is whether we could do this in a better way that would produce better outcomes for the lone parent and particularly for the child.

Senator Ivana Bacik: Hear, hear.

Senator Fidelma Healy Eames: Hear, hear.

Senator David Norris: Will the Minister comment on the gross as opposed to net issue I raised? I understand if she cannot do so.

Deputy Joan Burton: If somebody is earning €425 a week his or her exposure to income tax is relatively low and in the budget the universal social charge was alleviated somewhat for those on very low incomes. I need information and data on it and I will return to the Senator separately.

Senator David Norris: If the Minister would. I thank her very much.

Senator Mary M. White: I find mysterious the article of faith which the Minister for Finance keeps reiterating as he lauds himself and the Government for not increasing income tax rates. There is a coterie of people in the country who are willing to pay more income tax to try to prevent increased inequality between people at the higher and lower levels. In a true republic——

Deputy Joan Burton: I must apologise. I need to leave the House for ten minutes but I will return. I hope the Senator does not mind. My colleague, the Minister of State, Deputy McGinley, will be here in my place.

Acting Chairman (Senator Michael Mullins): I welcome to the House the Minister of State at the Department of Arts, Heritage and the Gaeltacht, Deputy Dinny McGinley.

Senator Mary M. White: We are speaking about the cuts with regard to lone parents, reducing the age from 14 years to 7 years and how it is prohibitive to lone parents returning to work. Will the Minister of State ask his party colleagues why it is such an article of faith that the Minister for Finance does not seem to be willing to consider increasing income tax for those at a higher level of income? I find it amazing that the budget contains so many cuts to those who are less well off. I am mystified. However, I will not go on about it. I ask the Minister of State to bring this point to the Minister for Finance.

Minister of State at the Department of Arts, Heritage and the Gaeltacht (Deputy Dinny McGinley): I am sure the Minister got the gist of Senator White's comments before she left.

Senator Mary M. White: It is for the party of the Minister of State. I cannot understand why the Minister for Finance will not increase income tax — big deal — he should increase income tax for people who are more well-off.

Acting Chairman (Senator Michael Mullins): Senators should confine themselves to discussing section 7.

Senator Trevor Ó Clochartaigh: Ní raibh sé i gceist agam teacht isteach an dara uair, agus ní thiocfainn murach an freagra a fuair muid ón Aire. I had not intended to speak a second time on this but I found myself getting very frustrated and angry with the Minister's reply to the questions because she was going around the houses and not addressing the issue. I come from a county with probably the highest incidence of one-parent families in the country. They are looking at a very bleak Christmas. They have seen cutbacks to child care, CE schemes, the back to school allowance and the fuel allowance. The cumulative effect of these cuts will mean hundreds of euro less income for them over the course of a year.

Senator Mary M. White: Hear, hear.

Senator Trevor Ó Clochartaigh: This is not fair and is very draconian. It is disgraceful that it is being introduced by the Government at this stage.

The Minister also spoke about encouraging people back to work. However, benefits such as the back to education allowance are being cut and the type of child care that is required is not provided. We all aspire to the Scandinavian scenario but the Government is cutting back in these areas. This is no solace to somebody who cannot afford to buy nappies or put a loaf on the table because of these cutbacks. It was disingenuous not to address the major point in this issue. This is why I call for the measures with regard to lone parents in the budget to be withdrawn. They are very unfair and hit the most vulnerable people in our society.

Senator Fidelma Healy Eames: On a point of order, the debate is not on section 7. It does not belong.

Senator Trevor Ó Clochartaigh: It is absolutely on the section and the Minister herself brought up these issues.

Senator Mary M. White: Sections 11 and 14.

Acting Chairman (Senator Michael Mullins): We are discussing section 7 and Senator Ó Clochartaigh is addressing section 7.

Senator Trevor Ó Clochartaigh: I am. It is about cutbacks to lone parents and the Minister herself brought in these issues.

Senator David Norris: Who is in the Chair?

Senators: The Acting Chairman.

Senator David Norris: Ah.

Senator Trevor Ó Clochartaigh: The point is well made. We cannot let this debate continue to go all over the place. I appreciate the other issues are very important but the pressing budgetary issue is the effect this is having on families who are losing hundreds of euro and cannot afford to put food on the table or pampers on their children and must make decisions on what meal to eat during the day. It is absolutely scandalous and I call on the Minister to reverse the cuts.

Question put.

The Committee divided: Tá, 30; Níl, 16.

Tá

Bacik, Ivana.
Bradford, Paul.
Brennan, Terry.
Burke, Colm.
Clune, Deirdre.
Coghlan, Paul.
Comiskey, Michael.
Conway, Martin.
Cummins, Maurice.
D'Arcy, Jim.
D'Arcy, Michael.
Gilroy, John.
Hayden, Aideen.
Healy Eames, Fidelma.
Heffernan, James.

Henry, Imelda.
Higgins, Lorraine.
Keane, Cáit.
Kelly, John.
Landy, Denis.
Moloney, Marie.
Moran, Mary.
Mullins, Michael.
Noone, Catherine.
O'Keeffe, Susan.
O'Neill, Pat.
Sheahan, Tom.
van Turnhout, Jillian.
Whelan, John.
Zappone, Katherine.

Níl

Byrne, Thomas.
Cullinane, David.
Daly, Mark.
Leyden, Terry.
MacSharry, Marc.
Mooney, Paschal.
Mullen, Rónán.
Norris, David.

Ó Clochartaigh, Trevor.
Ó Murchú, Labhrás.
O'Brien, Darragh.
O'Donovan, Denis.
Power, Averil.
Walsh, Jim.
White, Mary M.
Wilson, Diarmuid.

Tellers: Tá, Senators Paul Coghlan and Susan O'Keeffe; Níl, Senators Paschal Mooney and Diarmuid Wilson.

Question declared carried.

SECTION 8

Question proposed: "That section 8 stand part of the Bill."

Acting Chairman (Senator Michael Mullins): I call Senator Katherine Zappone.

Senator Thomas Byrne: Should it not be the main spokespersons?

Senator Katherine Zappone: Exactly — the main spokespersons.

Senator Paschal Mooney: I do not mind.

Senator Jillian van Turnhout: No, the Senator can proceed.

Senator Paschal Mooney: As the Senator will be aware, I am more than happy to defer to her.

Senator Katherine Zappone: I thank the Senator, but it is my colleague who will speak to this section.

Senator Thomas Byrne: With due respect to my colleague opposite, I must insist on my colleague, Senator Paschal Mooney, being heard first.

Senator Katherine Zappone: Members will have to wait a little longer to hear me.

Senator Jillian van Turnhout: We are very happy to allow Senator Paschal Mooney to speak first.

Senator Fidelma Healy Eames: The Senator opposite could have been gracious.

Acting Chairman (Senator Michael Mullins): I call Senator Paschal Mooney.

Senator John Gilroy: Politicians do not want——

Senator Thomas Byrne: I am sorry, but there is nothing personal in this.

Acting Chairman (Senator Michael Mullins): Actually the first name on the list of those opposing the section is Senator David Cullinane. Therefore, I call him.

Senator Fidelma Healy Eames: That solves the problem.

Senator David Cullinane: After all that.

Senator Darragh O'Brien: It is not often that Sinn Féin is the source of a compromise.

(Interruptions).

Senator David Cullinane: This section deals with the cuts in child benefit. One of the parties in government made a very clear pre-election promise not to cut child benefit. This needs to be stated because when people go to vote into the polling booth, they vote on the basis of what they have heard from politicians and parties. While voters do not accept everything parties state, when politicians said this was a red line issue for them and that there would not be cuts in child benefit, many voters would have said: "I trust the Labour Party on this." This is one of a number of issues on which its members said there would not be any changes, yet the people have seen them. That has angered many of those who voted for the party, especially when cuts in child benefit were announced.

The Government has gone to great lengths in recent weeks to state this is about making sure all children are equal. That is nonsense because what it has done is cut child benefit for families which need the payment. It was a small increase for the third and subsequent children and it was a necessary payment for families. Whatever way the Minister wants to spin it, the cut made

[Senator David Cullinane.]

in the budget will impact on many low income families. We have discussed all of the other amendments which will affect lone parents, carers, people with disabilities, those in receipt of invalidity pension and so on. However, this cut will affect many families and mean a net decrease in the income of low income families and people who are out of work.

I want to cite for the Minister a number of quotes made. Mr. Fergus Finlay from——

Senator Thomas Byrne: The Labour Party.

Senator David Cullinane: The Labour Party and Barnardos.

(Interruptions).

Senator David Cullinane: To be fair to him, he is the CEO of Barnardos and it was in that capacity that he made his remarks.

(Interruptions).

Senator David Cullinane: I am not interested in what he is paid, rather I am interested in what he has to say on this issue because he speaks with authority, given the organisation he represents.

Mr. Finlay stated:

It is well known that larger families are at a greater risk of poverty ... 23% of families in Ireland have three or more children and it is their childhoods that are being compromised. This is a policy choice that is again inequitable and unredistributive, it will adversely affect those on low incomes and reliant on social welfare.

He also referred to other changes in the budget in respect of increases in rent supplement contributions and school transport costs, the abolition of a number of concurrent payments and the introduction of several stealth taxes.

In the aftermath of the budget, the director of advocacy with Mr. Finlay's organisation observed:

We are fast approaching a situation where more children will be going hungry because their parents cannot afford sufficient quantities of food. While the loss of €19 in Child Benefit payment per month may not sound like much, in reality for a family with three children it means parents having to go without basic necessities like nappies and milk formula for a baby or a child going without a winter coat.

This goes to the heart of the reason my party is opposed to the cut in this allowance. In recent weeks the House discussed the need to poverty proof policies. I made that point again this morning in a different context. I have absolutely no doubt that if the measure under discussion

4 o'clock were poverty proofed, it would not pass the test. I accept that the families of higher earners will not be affected by the proposed cut. However, there are many low-income families that will be affected by it. The Government's decision to single out larger families in respect of this cut is particularly bad. Such families require the extra supports on offer. The Minister may state that the cut is quite small but we believe it must be viewed in conjunction with the increase in rent supplement contributions, the imposition of the €100 household charge and all of the other changes contained in the budget.

My party is troubled by the cumulative effect that this cut will have on families with three or more children. There is no doubt that the Government had a number of alternatives avail-

able to it. Those in government state that they were obliged to take certain actions and that they had no choice in the matter. However, there were choices open to them. The Government could have taken many options. It chose to ignore the pre-budget calls from Fianna Fáil, Sinn Féin or any of the other Opposition parties but it could still have examined the proposals put forward by One Family — the one-parent family organisation — Barnardos, the Irish Congress of Trade Unions and various other organisations. The organisations to which I refer examined the various alternatives which could have been availed of in order that the Government would not have been obliged to reduce the incomes of hard-pressed families. I am concerned that if this measure is passed by the Oireachtas, more families, and consequently more children, will be obliged to live in poverty. That is wrong and it is why I will be opposing the section.

Senator Paschal Mooney: I wish to defer to Senator Van Turnhout.

Senator Thomas Byrne: A true gentleman.

Senator Jillian van Turnhout: I thank Senator Mooney. I am of the view that the Minister's presence in the Chamber may be influencing the true gentleman's approach.

This is one of the two sections to which Senator Zappone and I are opposed. As an Independent Senator, it is difficult to deal with the Social Welfare Bill because one's heart must be ruled by one's head. I want to oppose all cuts but I feel I must highlight those relating to child benefit and the lone-parent allowance above the others that are being made. I welcome the Government's decision not to reduce the basic rate of child benefit of €140 for first and second children. I am, however, greatly concerned regarding the decision to cut the rates for third and subsequent children. I am also concerned about the decision to discontinue the once-off grants relating to multiple births.

My objections in respect of this matter are twofold. First, I am concerned that what is proposed will increase the exposure of larger families to poverty. The loss of €19 per month for a third child and €17 per month for the fourth and subsequent children equates to a total loss of €432 per year for a family with four children. On the face of it, this figure might not appear overly disturbing. However, it represents a loss of financial support for larger families. The effect the cut in child benefit will have on the 23% of families in Ireland with three or more children cannot be viewed in isolation. It must, therefore, be considered in conjunction with the cumulative impact of the raft of other cuts made across budget 2012 that have specifically affected families and, more particularly, already vulnerable families on low incomes that are reliant on social welfare. In this regard I refer to the cut to the one-parent family payment and the fuel allowance and the increase in health and education costs.

Recent CSO statistics indicate that among those whose consistent poverty rate rose from 6.3% in 2009 to 9.6% in 2010 were families with three or more children. These statistics also attest to a widening gap between the haves and the have nots in Irish society. I wish to provide some examples in this regard. In addition to the €432 families comprising two parents and four children will incur as a result of the cut to child benefit, those eligible for the back to school clothing and footwear allowance will lose a further €310. This will lead to a total loss of €472 per year. If these families live in rural areas, they will lose €1,612 per year as a result of the cuts to which I refer and the increases in respect of school transport. A family consisting of a lone parent and two children will lose €537 per year as a result of cuts to the back to school clothing and footwear allowance, the fuel allowance and the increase in the minimum contribution towards rent supplement. As already stated, the cut to child benefit cannot be viewed in isolation.

The State is constitutionally obliged to protect the unit of society that is the family. However, there is genuine and growing concern among the organisations which deal with struggling

[Senator Jillian van Turnhout.]

families that these new cuts will push many over the edge into deprivation, poverty and despair and will further compound the misery for those who have already crossed that threshold. Children are the most vulnerable members of any family unit and any hardship visited upon that unit is most acutely felt by them.

On Second Stage the Minister compared the rate of child benefit in this country to that which is paid in Northern Ireland. I remind her that while the rate of payment in the latter jurisdiction is lower, in order to compensate for this the system which obtains there provides a raft of other child-related benefits for those who qualify. I refer to free school meals and transport, a preferential maternity allowance, a national health services allowance, access to the start strong health scheme and the sure start maternity grant. I could also provide examples from France and Sweden — I do not want to take up the House's time in doing so — in order to show how other jurisdictions offer additional child-related benefits which compensate for lower baseline rates of payment. When making comparisons, we must ensure that we take all aspects into consideration.

The second matter to which I wish to refer is the importance of supporting and encouraging a high birth rate in Ireland. The decision in respect of the once-off payments for multiple births displays a lack of strategic thinking. This is the very time when we need to think outside the box. We need to encourage and support a healthy birth rate in Ireland because this will, in turn, support and sustain economic growth. Ireland is in the enviable position of having the highest birth rate in Europe. In July of this year, it stood at 16.5%. The next highest ranking country is the UK, with a rate of 13%. However, Europe as a whole has an increasingly ageing population. The Oxford Institute for Ageing estimates that within 20 years, Europe's largest population cohort will comprise those over 65 and that the average age will be 50. An ageing population has significant implications for the labour force, the health service, the education and welfare systems and also in the context of technology and development.

I am of the view that child benefit payments reflect the values of our society. It universally demonstrates that children are cherished and that the Irish public wants to support their well-being. I am not stating that we should provide support through benefit payments. I would be happy if we were to support families through the provision of services. At present, however, we do not provide support in this way. As a result, removing the payment is not acceptable.

There is a collective responsibility in respect of this matter. In an economic context, children are what might be termed "merit good". In other words, they have value to others beyond their families. As future taxpayers and workers, their contributions will assist in the payment of State pensions. Mr. Frank Field, a British MP, is credited with saying "I may not have children but I need someone to have them if my pension is going to be paid". The State must send out a signal to the effect that it supports and encourages childbirth. The children of today are essential to our future economic recovery. I, therefore, urge my colleagues to oppose section 8. Cutting child benefit and discontinuing once-off grants in the case of infrequent multiple births is not the way forward.

Senator Paschal Mooney: I am sure Members on all sides will join me in expressing appreciation to Senator Jillian van Turnhout for her contributions which have considerably enhanced the debate. The Senator has been an advocate for the protection of children's rights and interests for many years. I understand she is due to step down from her position as chief executive officer of the Children's Rights Alliance——

Senator Jillian van Turnhout: I finish on Tuesday.

Senator Paschal Mooney: —and I am sure the House will join me in expressing sincere appreciation for her outstanding contribution not only to her job but also in highlighting the aims and objectives of the alliance in the public arena. I wish her successor well. I have no doubt that as a result of her strong identification with the alliance she will continue to have a valuable input into its procedures and activities.

In opposing the section I could say I have nothing further to add to the debate, but I want to draw attention to the following remarks as an extra justification for my opposition, for which I am grateful to the Minister, the leader of the Labour Party, the Tánaiste, Deputy Eamon Gilmore, and the Labour Party. They stated:

Enough is enough. Families cannot take any more. If you look at any of the studies that have been done on poverty, the people in our population who are worst affected are children. The cutting of child benefit makes that worse. There are a lot of big houses around the country where there is very little money because people are at the pin of their collar paying their mortgages. Child benefit is a critical income support to put food on the table. Any further cut in child benefit would be a genuine crisis. It is the State's only recognition that Ireland remains a very expensive place to raise a child and if the Minister were to cut child benefit it would be creating poverty traps, work disincentives and increase the number of children in poverty.

All of these quotes were made before, during and subsequent to the general election.

Where does the Minister stand in her defence of the proposed cuts and reductions? These quotes are the reason so many are angry about these measures, not so much because of the cuts proposed but because they were led to have such high expectations in the past nine months that there would not be any adverse impact on child benefit. It may be somewhat embarrassing, but I was on the other side of the House for many years when similar quotes were made by party colleagues. It reminds me of the famous dictum of Sean Lemass who said that once an election was over, all promises made were not valid. However, the question about the justification for these measures remains. The Minister will say it all has to do with the economic position and that we must make cuts somewhere, but these measures cut to the core of the Bill because it is such a sensitive issue.

An aspect that interests me, into which Senator Jillian van Turnhout went in some detail, is that we have the highest birth rate in Europe. In that context, the Government's philosophy should be to encourage and support people to have families because of the high fertility rate and perhaps because child benefit is not seen as being as important in other parts of Europe. If the Minister wanted to cut the benefit, there were other ways of using the money available or getting money elsewhere to provide child support within families.

The significant increase in child benefit granted by the two previous Fianna Fáil Administrations from 1997 to 2002 and particularly 2002 to 2007 was astonishing. It is extraordinary when one looks at the figures. Thankfully, I was able to support my family of five because I was in this job which provided most of my income. During that period my wife, Sheila, and I often talked about the significant increases granted and considered that we probably could afford not to take all of the money being given. We could look to those on high incomes of €100,000 plus a year, a suggestion made repeatedly in the debate.

There is considerable wealth in the country. This remains one of the top three or four wealthiest countries in Europe. Therefore, why is there not a philosophy within the Government to address the issue? Is it that, as there are only two women in the Cabinet, as Senator Mary White eloquently put it, there is not the critical mass to convince the male members of the Cabinet of the need for a more balanced sense of parity of esteem, as quoted by my Sinn Féin

[Senator Paschal Mooney.]

colleagues in another context? This does not seem to inculcate the thinking of the Government or the Department of Finance. We could be debating today and more than likely agreeing to increases in the tax rate for those on very high incomes, a tax on the wealth that is unquestionably still within the country, as proved by the statistics. Like everybody else, I ask where that wealth is to be found when one sees families and those on the margins of society struggling. One wonders where it is to be found, given our economic position *vis-à-vis* the rest of Europe, but the statistics do not lie. The money is available.

I recall the Minister, when in opposition, railing against the various tax shelters and tax breaks and asking why the wealthy in our society were not being more responsible. That is not just about the euros being taken from the third and subsequent children, it is about a philosophy and a Government approach to this issue.

I am glad that the Minister is a caring Minister, but she also has something that is lacking in the political class in all parties, namely, a vision. It is evident from listening to her both on Second Stage and again today that she has a vision of a social welfare culture. We should hear some philosophy from her based on the contributions she has heard so far and those she will probably hear before this section is decided. This debate is about whether we will continue to protect those who need protection or whether we will go after those who can afford to pay more tax. The Minister has heard the arguments from both sides of the House. My wife and I are raising five children — our eldest has flown the nest and we have four at home — but in my position I would not object to an increase, even though I am not in the €100,000 plus a year category. Surely those who are in this category are the ones we should go after. It would not act as a disincentive to creating wealth. That is a Republican Party philosophy that seems to have come from across the Atlantic — do not touch those who are wealthy because they will drive capital out of the country. When I lived in London in my early 20s, the talk was that if the Labour Party was elected — it was mainly Tory Governments which were in power during that period — capital would fly out of the country and that if the Tories were elected, capital would flow back into it. It was nonsense and a smokescreen.

Although I am not dealing specifically with the rate cuts——

An Leas-Chathaoirleach: The Senator is wandering somewhat.

Senator Paschal Mooney: ——I suggest the Minister has embarked on a philosophical argument about many of the other measures she has taken. I am interested to hear how she intends to square the circle in the next round of discussions on expenditure to the point where she will probably have to fight her case again against more reductions in her Department. I hope that with the help of this and the other House she will be encouraged by the fact that the sentiment is being expressed that we need at least to analyse whether those on very high incomes in what is still a wealthy society could make a greater contribution that would prevent her from having to come back into the House next year to justify further cuts, including, more than likely, in child benefit.

An Leas-Chathaoirleach: I would like to remind Senators that there are eight Members lined up to speak.

Senator Thomas Byrne: Senator Mooney spoke about a philosophy. There is a philosophy here and a value judgment has been made. When higher rates were brought in for the third, fourth and subsequent children, a value judgment was made at the time that we value families who have more children. We recognised that they have extra costs that other families do not

have. We also decided that it is a good idea that we have families to pay the pensions in future years, as Senator van Turnhout stated. This is an important factor.

A value judgment has been made by this Government that we will cut the basic social welfare rate for large families. That is what has happened. There has been a cut in the basic rate. This claim that the Government protected basic rates is not true. A family with one single child and three triplets is down €31 per week as a result of these changes. I know three such families in my own area.

Deputy Joan Burton: There is no——

Senator Thomas Byrne: Have they been brought down to €140?

Deputy Joan Burton: No. A family with twins gets three payments for the two children. There is no change in that at all.

Senator Thomas Byrne: What is their base rate for which the multiplier is used? Is it double the €140 payment?

Deputy Joan Burton: Yes, but that is what it always has been.

Senator Thomas Byrne: If there were four children in the family——

An Leas-Chathaoirleach: Address your remarks through the Chair, and the Minister can respond.

Deputy Joan Burton: There is no change to families with twins or triplets on the additional payments they receive.

Senator Thomas Byrne: The twins get one and a half times the payments, and the triplets get twice the payment. The Minister has confirmed that it is one and a half times and twice €140, regardless of how many children are in the family. Are the triplets still getting €167?

Deputy Joan Burton: The rate for the third child is €148 and the rate for the fourth child is €160.

Senator Thomas Byrne: That has not changed.

Deputy Joan Burton: No.

Senator Thomas Byrne: Okay, I accept that, but that is not the information on the Department's website. If it is the case that the base rate is down to €140 — I will accept the Minister's confirmation, but the officials seem to be giving her contrary information — this means that a family with a single child and three triplets is down €31 per week. I remember the scare stories put out before that we were going to cut the rates for triplets and twins, and the fear among those families was extraordinary. The mental and financial stress on some of these mothers was severe and consideration must be given to them. The abolition of the periodic grant is a massive change for them as well, because they would be looking forward to it as it comes at particular stages in life. The Minister can laugh at the grant being abolished for twins and triplets, but it was given out at important stages when particular costs would arise. It is not a laughing matter. These are very stressful situations.

The Minister has made her value judgment. She has decided to forget about big families. Garrett Fitzgerald did the same in the 1980s when a tax allowance was abolished by the Fine Gael and Labour Party Government of the time. There should not be discrimination against

[Senator Thomas Byrne.]

large families, but the Minister's spin that the basic rate is being protected has been shown to be false. I want clarification on the base rate upon which she uses the multiplier for twins and triplets, because there seems to be some confusion.

Senator Brian Ó Domhnaill: Senator Byrne has touched on a point. Whatever way it is to be dressed up, the changes being introduced are cuts through the back door to child benefit payments. There is no question about that. These cuts will have major impacts on very many families, particularly those with three or more children. In our pre-election submission to the Department of Finance, Fianna Fáil proposed no cuts to child benefit payments and that those savings should be obtained from elsewhere. A number of my colleagues have shown where those savings or the additional money could be ring fenced from the wealthier in our society.

From next year, families will be hit with massive reductions in their income, be it from social welfare or the increased charges coming down the tracks, such as the household charge and the septic tank charges. These will have implications on many families.

We need clarification on the elimination of payments on multiple births. It is my understanding that proposals from the Department contained in the legislation suggest that payments on multiple births are to be eliminated. Perhaps the Minister could clarify this, because approximately 1,200 families will be affected annually by this if that payment is terminated. The children's charity Barnardos warned prior to the budget that any cut in child benefit payments would affect many children. They estimate that approximately 90,000 children in the State are currently living in poverty. They warned against any cut in child benefit payments. The National Women's Council of Ireland stated that the payment had become an easy target for successive Governments, and that any reduction would lead to further hardship for families.

Senator van Turnhout said it much better than I could in respect of the European situation. The child benefit schemes here are in place to support families to have children. Senator van Turnhout is right. Ireland currently has the highest fertility rate in the EU and enjoys a youthful demographic profile, unlike ageing societies like Germany or Italy. The birth rate here is 17 per 1,000 population. That is up from 14.4 per 1,000 in 2000. It is the highest birth rate of all 27 member states and the social welfare payments have played a part in supporting the family and protecting children, and in supporting women who are doing such a fine job raising families.

I would like to provide the Minister with three quotes from the Labour Party prior to the election.

An Leas-Chathaoirleach: We are on section 8.

Senator Brian Ó Domhnaill: They are from the child benefit section. They might have been made 20 or 30 years ago, but in fact they came from earlier this year. The Labour Party leader, now Tánaiste in the new Government said:

Things like not cutting child benefit any further. Enough is enough. Families can take no more.

He also stated that it would be a pre-requirement for entering Government with Fine Gael that child benefit payments would not be reduced. The current Tánaiste and leader of the Labour Party said this in February. In October 2010, he also spoke about child benefit.

It is the only State recognition that there is of mothers because it is paid directly to mothers... Does Labour see room for some cuts? No we don't. Again if you look at any of the studies that have been done on poverty, the people in our population that are worst affected are children...The cutting of child benefit makes that worse.

At the Labour Party child care policy launch on 23 February 2011, the following was stated.

Labour will not cut child benefit, because we acknowledge that: some extremely harsh budgets in recent years have meant that family incomes have already taken a substantial hit; despite our current economic problems, Ireland remains a very expensive place to raise a child, and child benefit is the only recognition by the State of this high cost; cutting child benefit will create poverty traps, work disincentives, and will substantially increase the already high number of children in poverty.

We are now ten months on and those words ring hollow. The cumulative effect of the cuts being proposed in the budget will hit larger families disproportionately. A family with three children will be down €324 per year by the end of 2013, following the introduction of these child benefit cuts. A family of five children will be losing €1,200 by the end of 2013.

A family of six, seven or eight children — there are families in my constituency with eight children — will lose €3,816 at the end of 2013, as a result of this decision together with all the other associated cuts. It is a step too far and is in stark contrast to what was being said before the election. One of my Sinn Féin colleagues mentioned that prior to the election, people voted for the Labour Party and Fine Gael because of the protections that were perceived to be given on the social welfare side of expenditure but that is not the case today following its first budget. That leads to the question as to what will happen in subsequent budgets in the coming years. The Minister is going down the wrong road and is attacking children. Whereas Barnardos said 90,000 children are living in poverty that does not appear to be recognised. The payment is available to the child to support children growing up and family units. The child benefit increases provided by the previous Government have been welcome but it is a step in the wrong direction to reverse and continue to reduce such payments to the levels I have outlined. We cannot support the proposal to cut child benefit payment because we have provided alternative solutions in our pre-budget submission to the Department of Finance.

At this late stage I appeal to the Minister not to proceed with those cuts. It will be a matter for Labour Party and Fine Gael Senators to decide whether to vote in favour of the section. I remind them that prior to the election they were utterly opposed to any cuts to child benefit payments.

Senator Darragh O'Brien: I will be brief.

An Leas-Chathaoirleach: I am working off the rota list bar the addition of Senator Zappone who was in the Chair before I took over.

Senator Darragh O'Brien: I will start on a positive aspect. The Minister's comments in regard to protecting universal——

An Leas-Chathaoirleach: I ask Members to remember that those whose names are appended to the amendment should get priority. I will be fair to everybody.

Senator Darragh O'Brien: The Minister's comments in respect of protecting universality are crucially important. She will have a battle in doing so during the next few years. The Minister's constituency in Dublin West is similar to mine in north Dublin. A family who may appear to be financially comfortable are not in many cases. Senator van Turnhout referred to the increasing birth rate. Many of those fall within the demographic of families who purchased houses between 2004 and 2008, have large mortgages and have not had rate decreases passed on to them as promised. The child benefit payments are crucially important. That is why we oppose the cuts being proposed. This is one of a series of budgets. Given the economic situation and

[Senator Darragh O'Brien.]

what is happening in Europe and Ireland I believe we will have a budget earlier than this time next year because the tax element of the budget has been far too light. The measure introduced in the other House by the Minister for Finance, Deputy Michael Noonan, was, in the main, a VAT increase. He will not get €679 million from the additional 2% on VAT. Day-to-day spending will come under increasing pressure, in particular the Minister's Department. These are easy hits for families who believe they cannot do anything other than accept them. Once they are passed they become law.

The Minister and I know families in middle Ireland who depend on child benefit to put food on the table for their children. They receive no other State support, pay their taxes and have done so consistently and will be affected by the reduction.

The free pre-school year introduced by Mr. Barry Andrews was an inventive way of——

Senator Jillian van Turnhout: It was introduced by the late Brian Lenihan.

Senator Darragh O'Brien: I apologise.

Senator Mary M. White: I drove the issue over many years.

An Leas-Chathaoirleach: Senator O'Brien without interruption.

Senator Darragh O'Brien: Well done. Many people are seeking credit. That resulted in substantial savings. Two thirds of the budget was the early payment supplement on the birth of a child in year one that was put into the child care sector. It ensured that the money went directly to the children for the children's benefit. The Minister has to perform a balancing act and we have got to think outside the box on these issues. That payment has benefited thousands of children regardless of the income levels within their households as it goes towards educating them. I ask the Minister to give a commitment that the free pre-school year will remain in place during the term of the Government in order to give certainly to those whose child benefit payment will be cut in respect of third and subsequent children. The very least the Minister can say is that while this has happened she will ensure that children get the correct start in education and proper care and attention before commencing national school. The commitment from the Minister today would be helpful. My colleagues have set out their fundamental objection to these cuts but I still think the Department of Finance, for next year's budget whenever that is, has got to be more inventive about how money is spent within the Department.

Senator Fidelma Healy Eames: It is interesting to listen to Senators' comments. I do not believe there is enough evidence to suggest that reducing child benefit for third and subsequent children is exposing children and families to poverty because the way the social welfare scheme is set out there are other measures within the system to pick up the slack, such as family income supplement. It goes back to my point in another part of the debate that this is all the more reason we should look at overall household income. I shared a case on Second Stage. In the past week, I had a case of a family with six children who, up to the last budget, received €49,000 in social welfare payments. After the budget they will receive €41,000, a reduction of €7,996, without the husband's income being taken into account. This is a substantial income for the State to provide and is a disincentive to work. What is wonderful about the decision is that the payment was maintained at €140, that all children are deemed equal——

Senator Darragh O'Brien: The Minister did not use the word "wonderful".

Senator Fidelma Healy Eames: I will revise the word "wonderful" in light of that interjection.

An Leas-Chathaoirleach: Please respect the Chair.

Senator Fidelma Healy Eames: It is positive that child benefit was maintained at €140 per child. It also says that all children are equal in the eyes of the social welfare code. If anything, I would be able to make a much stronger argument that the first child should receive more child benefit than any other child because this is where all the expenses are incurred and all the infrastructure is put in place around children; buggies and so on but there is much more. Going forward maintaining the universality of the benefit is an interesting principle. There is an argument that it would be taxed in order that we can reach the equity we are trying to achieve.

Deputy Joan Burton: That is a tricky one.

Senator Fidelma Healy Eames: I realise it is a tricky one——

Senator Darragh O'Brien: I am glad the Minister, Deputy Burton, is in the Chair and not Senator Healy Eames.

Senator Fidelma Healy Eames: I am just suggesting that.

An Leas-Chathaoirleach: The Senator is not speaking to section 8.

Senator Fidelma Healy Eames: The point made by Senator van Turnhout about the birth rate is valid. Maintaining and encouraging the birth rate is critical. Her points were well made and I respect her comments in this regard. I had a chilling experience in the past two weeks. I was in Brussels attending an EU summit on China, and we know how high birth rates are there. There was an interjection from the Serbian delegate commenting on how bad things were in that country because people were not having babies.

An Leas-Chathaoirleach: The Senator is wandering from the section.

Senator Fidelma Healy Eames: It is clear I am staying with section 8. We must encourage the maintenance of our birth rate and I would rather see families supported in a different way. Another speaker alluded to one of the measures. If we want to avoid high rates of leaving school early and intergenerational fall-out, it would be wonderful to see a school meals programme. It would be very positive as it would ensure nutrition, and there is a positive effect from nutrition, particularly breakfast, on learning. That is well documented. That measure would definitely be targeted at children and our school system is there to support it.

I support the measure on child benefit. If I disagree with anything, it is the elimination of the multiple births grant. I come from a family where there have been a few sets of twins and I have witnessed at first hand the cost involved with such arrivals. It is hard to explain because of the amount of time involved.

Deputy Joan Burton: It is genetic.

Senator Fidelma Healy Eames: Exactly. I ask the Minister to consider this issue in a more holistic fashion and examine overall household income. It was put clearly to me earlier that the system is not set up that way. We must also consider the position of the child within the family, which the Minister indicated she would do, particularly with regard to the one-parent family. We must also consider how such children can be supported through the school system in order to get the best chance in life.

An Leas-Chathaoirleach: Bearing in mind that the curtain falls at 5 p.m. for this Bill, I ask Senators to be cognisant of those behind.

Senator Mary M. White: I have been a Member of this House since 2002 and in that period I have produced three publications. I find it very irritating at times as some of the new Senators think nothing was done in this House until they arrived. I produced two documents on a new approach to child care in Ireland. I drove the issue at parliamentary party meetings and my colleagues, Senators Jim Walsh and Darragh O'Brien, know I sought free child care through the parliamentary party process. I support my colleague, Senator O'Brien, in asking the Minister to promise she will not touch it. Education is the key to getting out of poverty. Senators can see how on my website I drove the issue, and I can give Senator van Turnhout a copy of my document.

Senator Jillian van Turnhout: I acknowledge that.

Senator Mary M. White: It was during that time the Minister of State with responsibility for children was given a Cabinet position. The former Senator, Kathleen O'Meara, and I consistently pursued the issue. We are privileged as we have the highest birth rate in Europe, which is unique, and other countries are desperately trying to get people to have more children. These cuts will go against people having a large family, and I am beginning to think Fine Gael is like the Tea Party movement in the United States because it has become so right wing. Those associated with the Tea Party movement argue they do not have any responsibility for people who do not earn a living or to provide an income or welfare payments for people. Fine Gael is becoming more like that.

I do not want to hold up colleagues but I must point out that these measures militate against large families. A family with four children will lose €430 per year on benefit and it will pay at least €400 extra with VAT. It will pay €144 extra for the drugs payment scheme and €100 for the household charge. I could not be here last week but there is a €10 surcharge for older people who cannot pay by credit card or cheque and who must pay cash. Many older people do not have access to credit cards or cheques. With motor tax, excise duty and carbon tax, the family will pay a minimum extra of €100. If the family is fortunate enough to have health insurance, the VHI has indicated that a typical €2,000 premium will now cost at least an extra €1,000. The budget hits large families and can cause additional expenditure of up to €2,276. It is something else.

Senator John Gilroy: We would be better off hearing more reasoned debate from the likes of Senators van Turnhout and Darragh O'Brien than the petty party political points scoring we have heard. It would be better for the House and everybody involved. All parties in this House and the other agree that the deficit in public finances must be closed and most parties are in agreement on the broad parameters of that deficit. We can talk about raising taxes and cutting capital spending but there is really no possibility of achieving these necessary reductions without having a look at the highest spending programmes in the Government, with social protection at the top. It is absolutely fanciful to argue we can close the deficit without touching these high-spending programmes.

Senator Brian Ó Domhnaill: It is factual.

Senator John Gilroy: Anywhere the hand falls within this programme will be seen as unpalatable and sometimes unfair. The Opposition may argue these measures are unfair but we see them as unpalatable. We regret them and hate implementing those measures because they are

terrible. They are necessary, none the less, and the Opposition would act similarly in our position. There is no point in being pious.

I do not agree that the Minister's actions have been wonderful or positive but she has achieved a remarkable result in protecting core welfare payments and having as few reductions as she has. There is a 2% reduction in the Department's funding, and the Minister is to be commended on keeping the reductions so small and protecting her Department. She has done the nation a great service.

Senator Jim Walsh: I am alarmed to hear the Leas-Chathaoirleach say the debate could be curtailed at 5 p.m. I agree with Senator Gilroy, as I have done many times, that constructive comments on this are very useful for the Minister and the Cabinet. Our comments will be of assistance to her in future difficulties and if the debate on the Bill is guillotined, it would be a disgrace and a shame on those who proposed the guillotine.

I have not spoken on the Bill before now. I do not envy the Minister her job, which is difficult. The correction that must be made in our fiscal position is enormous. I do not know the Minister very well but from my observations I regard her as fair and she approaches issues by trying to come to a fair conclusion. Having said that, I have great difficulty with some provisions. We are all informed to some extent by our own experiences in life and as somebody reared on the widow's pension and the children's allowance, I know how important they are. Any reductions would have imposed difficulties for our family and others will find themselves in similar circumstances. I was not here for the debate on earlier sections but I was appalled to hear about the increase in qualifications for the widow's contributory pension from 156 to 520 contributions.

Deputy Joan Burton: That was a mistake.

Senator Jim Walsh: It will increase to 520 contributions in two years.

Senator Marie Moloney: No, it will not.

Senator Jim Walsh: Has it been reduced?

An Leas-Chathaoirleach: The matter has been dealt with already.

Senator Jim Walsh: I accept that. I only mention it in passing. The point has been well made by others that child benefit is an important component in ensuring families can achieve some level of sustenance in their livelihoods. A reduction would particularly affect those families with a greater number of children because in many cases, if not consistently, the mother is excluded from participating in the workforce.

I compliment Senator Mary White who has referred to the reports she drew up in the previous Seanad. One very good report was related to child care and its recommendations found their way into some of the provisions made by the then Government. In general, because of the cost of child care it will be difficult for those with three, four or five children to continue to participate in the workforce which will mean they will become one income families. Therefore, any loss in their income stream will have a serious impact on them. As a result, I am concerned about the measure to which I am opposed. I accept it is easy for me to say this.

Other Senators have spoken about an underlying philosophy. I came across a quotation three years ago from Pedro Arrupe, Father General of the Jesuits, in the 1970s. He changed the wording of the mission statement from "the propagation of the faith" to "the propagation of the faith and the promotion of justice". I have tried to get my party to embrace it without great success, but it is worth mentioning it. It would be a great philosophy for the Minister for Social

[Senator Jim Walsh.]

Protection to adopt. He said, “Let there be men and women who will bend their energies, not to strengthen positions of privilege, but to the extent possible to reduce privilege in favour of the underprivileged.”

That brings me to the point that within government — the Minister is honoured to be a member of Government — one has choices.

These choices could include, for example, not increasing salaries in the public service next year, instead of reducing the incomes of those on social welfare who are probably on the breadline, struggling to put food on the table and have clothes for their children. These choices inform our ethos as politicians and parties, as well as the ethos of the State. It is something I recommend the Minister adopt.

I agree with Senator John Gilroy. I accept that there are no easy answers, but I would have far preferred the burden of the corrections to be spread across all those us working in the public service and all those on social welfare. The rates in both areas are much higher than among our counterparts in western Europe. I do not even need to refer to the eastern bloc. We have a problem in that our prices are far too high also. I do not understand the reason in the current crisis the Taoiseach did not establish a Department of consumer affairs and competitiveness because such a Department is required. We have reduced pay and social welfare rates to a minor extent and, accordingly, must reduce prices. We must take a holistic approach.

The income of a family with five children will reduce in 2013 by €1,200. We only give such an amount to them for one year. This morning the State paid numerous barristers representing it €1,200 for two hours work. The payment to various ancillary units of the State is based on the half-day rate for barristers. That brings us back to choices, priorities and what we are about. Above all, it brings us back to the words of Pedro Arrupe about whether we are facilitating the privileged.

My colleague referred to the Tea Party movement and Fine Gael becoming the Tea Party of the Irish political system. Will the Labour Party be the server of the tea or will it stand up for the underprivileged and those struggling rather than impinging on them in the manner outlined in the Bill? We must spread the cuts right across the public sector. I also accept that social welfare rates must be cut. However, public service pay must also be cut, as it accounts for three quarters of the budget. We are trying to say we will not cut it and that we will try to find a solution with the other 25%. Of course, that will impact on people severely and unfairly. I appeal to the Minister who, from comments she has made previously, genuinely has people’s concerns at heart.

Senator Mary M. White: The Minister needs a few women to back her up.

Senator Jim Walsh: I appeal to her to stand up for those in need and the underprivileged. If she does, I will be the first of many on this side of the House to commend for it.

Senator Katherine Zappone: I stand very much in solidarity with my colleague in opposing the section. I do not need to go through the reasons as she has already spoken eloquently about them.

I have listened to the Minister and reviewed all of the debates, in particular on this Bill. I am impressed by the vision she has outlined. She has identified various aspects of the principles she espouses in trying to carry out the huge task of reforming the social protection system such as by not defining people by their relationship — one person or one payment — or the other ways by which she is trying to identify the categories which ought to be paid. Some of the comments made by Senator Paschal Mooney on philosophy are well made. It could be helpful to the House, as well as to those on whom the cuts will impact, if the Minister were to consider

putting a paper together to identify her vision, principles and the direction in which she is going. That would be extremely helpful to us in our debate.

I am concerned about the decrease in child benefit for the third and fourth children and the effect it will have on one parent families in particular. The Minister expressed her concern about the fact that even with all of the payments made and amounts of money given, they do not seem to have impacted on poverty rates. The question is: why are people still poor? The Minister has identified the lack of parental education, the lack of access to education and training and child care issues. The people concerned are not necessarily still poor because of the money being given; therefore, cutting child benefit will not help.

The Minister has referred to the importance of the labour market activation fund of €20 million that will be made available. My question is whether lone parents, in particular, will benefit from the fund. Is it not correct to say lone parents cannot access the supports available to job seekers on the live register? In that case, how will they benefit from the fund? The Minister for Public Enterprise and Reform, Deputy Brendan Howlin, has set out to a limited degree that the fund is primarily for the long-term unemployed. Will lone parents benefit from it and, if not, will measures be forthcoming to assist them in returning to education and training?

My final point relates to a suggestion made by Senator Darragh O'Brien about the acknowledgement and acceptance of a universal income for children, of which I am also in favour. If one does have to affect the payment for the third and fourth children, especially for families experiencing poverty, the free pre-school place for one year is critical. There is evidence to prove that if children from poorer backgrounds have access to early years education and care, they do better later in life. In the budget the Minister for Children and Youth Affairs reduced aspects of the free pre-school service by way of cutting the staff ratio and the capitation grant.

If the Minister is going to take some of the money in child benefit from larger families, could the money at least go towards maintaining the quality of the pre-school service currently provided free for one year?

An Leas-Chathaoirleach: As it is now past 5 p.m., I am required——

Senator Paschal Mooney: On a point of order, may I ask——

An Leas-Chathaoirleach: There is no point of order.

Senator Paschal Mooney: There is. Would the Leader consider allowing the Minister to reply to the debate?

An Leas-Chathaoirleach: That cannot be done. The Order of Business was agreed to.

Senator Paschal Mooney: Can there not be an amendment to it?

An Leas-Chathaoirleach: That is not a point of order.

Senator Paschal Mooney: Will you put my question to the Leader?

An Leas-Chathaoirleach: In accordance with an order of the Seanad of this day, I am now required to put the following question: "That the sections undisposed of and the Title are hereby agreed to in committee, that the Bill is hereby reported to the House without amendment, that the Bill is hereby received for final consideration, and that the Bill is hereby passed."

Senator Jim Walsh: This is the first time in my 14 years in this Chamber that the debate on the Social Welfare Bill has been guillotined. If the Labour Party and Fine Gael believe this is

[Senator Jim Walsh.]

the way to deal with the interests of the underprivileged and people who are suffering, let it be on their own heads. This is nothing short of disgraceful.

Senator Mary M. White: Hear, hear.

Senator John Gilroy: The Order of Business was agreed to this morning.

Question put.

Senators: Vótáil.

The Seanad divided by electronic means.

Senator Diarmuid Wilson: Under Standing Orders, I call for a walk-through vote.

Question put.

The Seanad divided: Tá, 27; Níl, 17.

Tá

Bacik, Ivana.
Bradford, Paul.
Brennan, Terry.
Burke, Colm.
Clune, Deirdre.
Coghlan, Paul.
Comiskey, Michael.
Conway, Martin.
Cummins, Maurice.
D'Arcy, Jim.
D'Arcy, Michael.
Gilroy, John.
Hayden, Aideen.
Healy Eames, Fidelma.

Henry, Imelda.
Higgins, Lorraine.
Keane, Cáit.
Kelly, John.
Landy, Denis.
Moloney, Marie.
Moran, Mary.
Mullins, Michael.
Noone, Catherine.
O'Keefe, Susan.
O'Neill, Pat.
Sheahan, Tom.
Whelan, John.

Níl

Byrne, Thomas.
Cullinane, David.
Daly, Mark.
Leyden, Terry.
MacSharry, Marc.
Mooney, Paschal.
Mullen, Rónán.
Norris, David.
Ó Clochartaigh, Trevor.

Ó Domhnaill, Brian.
O'Brien, Darragh.
O'Donovan, Denis.
Power, Averil.
van Turnhout, Jillian.
Walsh, Jim.
White, Mary M.
Wilson, Diarmuid.

Tellers: Tá, Senators Paul Coghlan and Susan O'Keefe; Níl, Senators Paschal Mooney and Diarmuid Wilson.

Question declared carried.

Social Welfare Bill 2011: Motion for Earlier Signature

Senator Maurice Cummins: I move:

That pursuant to subsection 2° of section 2 of Article 25 of the Constitution, Seanad Éireann concurs with the Government in a request to the President to sign the Social Welfare Bill 2011 on a date which is earlier than the fifth day after the date on which the Bill shall have been presented to him.

Question put and agreed to.

Message from Dáil

An Cathaoirleach: Dáil Éireann has agreed, on 15 December 2011, to the amendments made by the Seanad to the Financial Emergency Measures in the Public Interest (Amendment) Bill 2011.

Financial Emergency Measures in the Public Interest (Amendment) Bill 2011: Motion for Earlier Signature.

Senator Maurice Cummins: I move:

That pursuant to subsection 2° of section 2 of Article 25 of the Constitution, Seanad Éireann concurs with the Government in a request to the President to sign the Financial Emergency Measures in the Public Interest (Amendment) Bill 2011 on a date which is earlier than the fifth day after the date on which the Bill shall have been presented to him.

Question put and agreed to.

Appropriation Bill 2011: All Stages

An Cathaoirleach: In accordance with the Order of the House today I am required to put the following question: “That the Bill is hereby read a Second Time, that sections 1 to 4, inclusive, Schedules 1 and 2 and the Title are hereby agreed to in committee and the Bill is accordingly reported to the House without recommendation, that the Bill is hereby received for final consideration, and that the Bill is hereby passed.”

Senator David Norris: I think it is regrettable that we do not have an opportunity to debate this. In previous years we did have that opportunity.

Question put and agreed to.

Appropriation Bill 2011: Motion for Earlier Signature

Senator Maurice Cummins: I move:

That pursuant to subsection 2° of section 2 of Article 25 of the Constitution, Seanad Éireann concurs with the Government in a request to the President to sign the Appropriation Bill 2011 on a date which is earlier than the fifth day after the date on which the Bill shall have been presented to him.

Question put and agreed to.

Message from Dáil

An Cathaoirleach: Dáil Éireann passed the Local Government Household Charge Bill 2011 on 14 December without amendment.

Local Government (Household Charge) Bill 2011: Motion for Earlier Signature.

Senator Maurice Cummins: I move:

That pursuant to subsection 2° of section 2 of Article 25 of the Constitution, Seanad Éireann concurs with the Government in a request to the President to sign the Local Government (Household Charge) Bill 2011 on a date which is earlier than the fifth day after the date on which the Bill shall have been presented to him.

An Cathaoirleach: Is the motion agreed to?

Senators: No. Vótáil.

Question put.

The Seanad divided: Tá, 28; Níl, 16.

Tá

Bacik, Ivana.
Bradford, Paul.
Brennan, Terry.
Burke, Colm.
Clune, Deirdre.
Coghlan, Paul.
Comiskey, Michael.
Conway, Martin.
Cummins, Maurice.
D'Arcy, Jim.
D'Arcy, Michael.
Gilroy, John.
Hayden, Aideen.
Healy Eames, Fidelma.

Henry, Imelda.
Keane, Cáit.
Kelly, John.
Landy, Denis.
Moloney, Marie.
Moran, Mary.
Mullins, Michael.
Noone, Catherine.
O'Keeffe, Susan.
O'Neill, Pat.
Sheahan, Tom.
van Turnhout, Jillian.
Whelan, John.
Zappone, Katherine.

Níl

Byrne, Thomas.
Cullinane, David.
Daly, Mark.
Leyden, Terry.
MacSharry, Marc.
Mooney, Paschal.
Mullen, Rónán.
Norris, David.

Ó Clochartaigh, Trevor.
Ó Domhnaill, Brian.
O'Brien, Darragh.
O'Donovan, Denis.
Power, Averil.
Walsh, Jim.
White, Mary M.
Wilson, Diarmuid.

Tellers: Tá, Senators Paul Coghlan and Susan O'Keeffe; Níl, Senators Paschal Mooney and Diarmuid Wilson.

Question declared carried.

Message from Dáil

An Cathaoirleach: Dáil Éireann has agreed on 15 December 2011 to the amendments made by Seanad Éireann to the Nurses and Midwives Bill 2010.

When is it proposed to sit again.

Senator Maurice Cummins: At 10 a.m. tomorrow.

Adjournment Matters

Pupil-Teacher Ratio

Senator Trevor Ó Clochartaigh: Táimid buíoch den Aire as teacht isteach ar an gceist seo, ceist atá tábhachtach agus atá ag tarraingt go leor cáinte ar fud na tíre, sna scoileanna tuaithe go háirithe, maidir leis an chóimheas atá molta ó thaobh scoileanna beag. I am grateful to the Minister for Education and Skills for attending the Chamber. I have been inundated with calls, as he has, about the proposal made in the budget to change the staffing schedules for one, two, three and four teacher schools, those with fewer than 86 pupils. They are up in arms about this

change. It is potentially a fundamental change in the way education is delivered, particularly in rural areas. Something that may seem to be an academic work on paper, changing ratios, could have a major effect on which schools are opened, how children are transported to schools, the time at which they have to get up to go to school and the place of the school in the rural community.

Schools and teachers have also raised the point that a value for money audit of primary schools is under way in the Department and that all schools have returned questionnaires to it. They have found it strange that the announcement has preceded the publication of the report on the audit. As with the *Comisinéir Teanga*, decisions are taken before reports are made available for debate and discussion. Schools have asked me to ask the Minister to outline the logic behind the decision, why it is being taken now and whether he is aware of the issues schools are raising about the potential damage if the change is introduced.

Minister for Education and Skills (Deputy Ruairí Quinn): I thank the Senator for raising this issue as it affords me the opportunity to outline the position on the staffing schedule for small schools for the 2012-13 school year. As part of the budget decisions announced recently, the number of pupils required to gain and retain a teaching post in small primary schools will gradually be increased between September 2012 and September 2014. The schools concerned are those with four or fewer classroom teachers. It is important to emphasise that no small schools will be closed owing to the changes announced.

The pupil thresholds for DEIS band 1 disadvantaged schools are not as high, as they reflect the recently introduced 22:1 staffing schedule. Reduced pupil thresholds will continue to apply to a school that is the only primary school on an island. The phased adjustment is estimated to yield a saving of 250 teaching posts in the next three years, with 100 of these posts being removed in 2012-13 school year. The resulting surplus teachers will be redeployed to vacancies in other neighbouring schools in accordance with the redeployment arrangements. The phasing of these measures provides the schools concerned with time to consider the potential for amalgamation with other schools, where this is feasible.

We have a very significant number of small schools across the country. Owing to the way the staffing schedule works at present, small primary schools benefit from significantly lower pupil-teacher ratios than larger primary schools. For example, the minimum pupil threshold for the appointment of the second teacher in a two-teacher school is currently 12 pupils. This means that this school has an average of six pupils in each of its two classes. The changes we are introducing will mean that in September 2012 a minimum of 14 pupils will be required for the appointment of the second teacher in the two-teacher school. The subsequent increases in September 2013 and September 2014 will increase this minimum pupil threshold to 20 pupils. Even when all of these phased increases are implemented, the threshold will still be significantly lower than the minimum of 28 pupils required for the appointment of the second teacher in schools prior to the mid-1990s.

The existing staffing schedule also acts as a disincentive for small schools to consider amalgamation. We have to ensure the very valuable but limited resources we have available in the system are used in the best and fairest way across the whole system.

All areas of public spending have had to experience some adjustment, given the scale of the economic crisis. Despite this challenge, the Government has sought to do this in as fair a way as possible. A value for money review of small primary schools has been under way in the Department for the past year. It was initiated by my predecessor. It is part of the normal review processes undertaken by all Departments on an annual basis in selected areas of expenditure. Among the issues that will be taken into account in the review are questions such as availability of diversity of provision, ethos of schools, parental choice, the language of instruction, travel distances, transport costs and the impact of schools on dispersed rural communities. The review

[Deputy Ruairí Quinn.]

will examine the locations of small schools relative to each other and other schools of a similar type. It will also examine the costs of running small schools and the educational outcomes associated with small schools.

Educational quality for students must be one of the main criteria in any consideration of primary school size. It is also necessary to consider the needs of local communities and wider social and cultural factors. The value for money review is simply about ascertaining all the facts to inform future policy in this area. Work on the review is well advanced and I expect that the report on the review to be available early in 2012.

Senator Trevor Ó Clochartaigh: Will the Minister confirm that, when he takes on board the results of the review and the process of amalgamation is discussed, he will take into consideration linguistic issues in Gaeltacht schools? Will he allay fears that in some scenarios teachers will teach up to four classes within one classroom? That would make the task more difficult.

Deputy Ruairí Quinn: When the value for money report is published, I hope this House and the Dáil will have an opportunity to debate it. I am not in the business of wanting to close schools *per se*, but we need to achieve better value for money from the existing school infrastructure. There are alternative ways of amalgamating, combining and clustering schools, all of which should be open for examination.

School Staffing

An Cathaoirleach: The next two items for discussion are similar and will be taken together.

Senator Averil Power: I refer to the impact on disadvantaged areas of the education cuts included in the budget announced last week. I ask the Minister for Education and Skills to outline the rationale behind the cuts. It is extraordinary that the Government decided to target some of the most severely disadvantaged areas in the country for such savage cuts. It belies the claim made by it that it would protect some of the most vulnerable people in society from cutbacks. It is a great shame that it is undoing much of the progress made in these schools in recent years.

The Minister met some of the principals this week, including the principal of the school in Darndale where the junior national school has classes of 15 children. With small classes and excellent staff who are committed and hard-working, the school has made incredible progress in the past few years. The Minister is aware of the literacy programme. Within two years the school managed to increase achievement levels among first and second class pupils. It increased the number of pupils performing among the best in their age group from no one reaching that level to 20%, which is incredible. This is a positive sign for the future in a community that has struggled and taken a long time to make such progress. It is a shame to put this in jeopardy as a result of cutbacks.

The increase from 15 to 22 pupils per class represents an increase of 50%, an incredible difference in a teaching environment in which good results are being achieved. I, therefore, urge the Minister to re-examine this matter. I wonder if he was aware of the impact on individual schools when he made the decision. Had he seen a list of the schools involved and did he know that they would be hit this much? The school in Darndale is losing five teachers out of 16. I wonder if the Minister was aware the impact would be so significant for individual schools. The Taoiseach was unaware because when he answered questions from my party leader in the Dáil this week, he said existing DEIS schools would not be affected. I found this incredible.

There was a reference to legacy issues, which is an unhelpful term because it implies that the only reason teachers are in place is their positions were granted a long time ago and that they have not been making a contribution since, which is unfair. Darndale school has been

making great progress, progress that the Department has recognised and lauded and which was held this up as an example for other schools serving disadvantaged communities that could get good results.

Did the Department carry out a cost-benefit analysis on the long-term impact of this? Whatever about it being socially regressive to take teachers out of these schools, it does not add up economically, particularly when we look at the long-term costs not just to the Department of Education and Skills but to the Garda budget and the Department of Social Protection. There is no economic rationale for it. Was the long-term economic impact considered? Apart from the Breaking the Cycle posts that are being taken away from those schools, other schools that have served as best they can areas that have traditionally not had a good educational achievement, such as Kilbarrack and Priorswood, will also be affected by the changes for special needs children and the disimprovement in the ratio for the general allocation model.

This is unfortunate and while I appreciate cuts must be made in the budget and our party accepts that €3.8 billion had to be found, there is a fairer way to do it and education should have been prioritised. I am sure the Minister fought as hard as he could for his Department but the Cabinet as a whole should see this as an area that should be protected with a view to the future of society. I urge the Minister to rethink this. I welcome the movement on the disability cuts, which were perhaps not thought through, and I hope this will be another area where changes can be made before long-term damage is done.

Senator David Cullinane: Everyone accepts that we need value for money in the public service but that should not be used as a cloak to take teaching posts from some of the most disadvantaged schools in the State. I will outline the impact these cuts will have on schools in Waterford. A number of principals contacted me in recent days and meetings are being arranged with Oireachtas Members next week so their concerns can be outlined. One teacher working in an inner city school in Waterford city wrote to me to outline how the school had DEIS band 2 status for many years, with many challenges to deal with every day. The teacher thought it was a total disgrace that the Government was suggesting raising the pupil-teacher ratio by seven children per class. The teacher is proud of the children in the class and the school. That teacher did not feel the children would receive the same level of education if the ratio was adjusted. Making the change without considering the long-term effects on individual DEIS schools and disadvantaged families is irresponsible according to this teacher. Definitely, the teachers themselves can best outline the impact this will have on their schools.

The headmaster of St. Saviour's national school in Waterford, which I attended, also contacted me to say much of the good work the school has done over the course of many years in improving the reading, writing and numeracy skills of students, many of whom are from a Traveller background, could be undone because of the changes that are being made. In 2010, St. Saviour's had 27 teachers; this year it has 24. If the current criteria as outlined in the budget is applied to the school, teacher numbers will fall as low as 20, which will have an impact on all of the good work that school has done to improve the literacy and numeracy skills of students.

Every DEIS school in Waterford has already lost the resource teacher for Travellers this year, and five of them lost an English language support post. Every DEIS school will lose at least one concessionary post. I agree with Senator Power that describing these posts as legacy posts, as if they were needed in the past but are not necessary for the future, is regrettable and a cause of concern for many schools.

That is just the local impact. The national impact of this measure will be huge. A total of 38 concessionary teaching posts will be withdrawn from 15 non-DEIS primary schools that were previously in the Giving Children an Even Break programme; 102 concessionary posts will be withdrawn from 52 urban band 2 DEIS schools previously in the Giving Children an Even

[Senator David Cullinane.]

Break programme; 43 support teacher posts will be withdrawn from 48 primary schools, 45 DEIS and 3 non-DEIS; 45 concessionary posts will be withdrawn from 32 DEIS schools previously in the Breaking the Cycle programme which the Minister's party supported in Opposition; and 64 concessionary posts in 59 primary schools and 136 posts in 136 post-primary schools are being removed. That will have a major impact on education in the country.

We all accept times are tough and that savings must be made but to make those savings by removing teaching posts from some of the most disadvantaged schools in the country is the wrong move. I ask the Minister to provide information to me regarding the schools in Waterford to which I have referred on what assessments were carried out in those schools that could justify these cuts. When I talk to teachers and headmasters, they have evidence to prove they have improved numeracy and literacy skills of students but we are taking away the critical teaching posts they need to ensure all children get the best education possible. We are not giving equal opportunities to all children if we undo a lot of the good work that was done by providing those concessionary posts and other support and resource teachers who were in those schools. It is a retrograde step and I hope the Minister will review the impact this will have on each school.

Deputy Ruairí Quinn: The Government has prioritised targeted supports for schools with the most concentrated levels of educational disadvantage. These supports will continue to be targeted through the Delivering Equality of Opportunity in Schools scheme, which is focused on 670 primary schools and 195 post-primary schools with particularly high levels of disadvantage. This scheme is designed to ensure the most disadvantaged schools benefit from a comprehensive package of supports.

The creation of a dedicated DEIS band 1 pupil-teacher ratio of 22:1 in the budget will secure a more favourable staffing allocation for these primary schools in comparison with the mainstream pupil-teacher ratio of 28:1. While the new staffing schedule gives greater autonomy to DEIS band 1 schools, the schools should continue to prioritise their staffing allocation to implement more favourable pupil-teacher ratios in junior classes, in line with DEIS policy.

The Government is also providing €13 million in enhanced funding for DEIS schools, €2 million in school book funding for DEIS schools, as well as a €26 million investment in the home-school-community liaison scheme. All of these areas have been protected from reductions in expenditure for 2012. In addition, €27 million will be provided next year for the school completion programme, a major component of DEIS, funded by the Department of Children and Youth Affairs. Furthermore, DEIS post-primary schools will be targeted for additional support through an improved staffing schedule of 18.25:1, which is a 0.75 point improvement compared with the existing standard 19:1 that applies in post-primary schools that do not charge fees, or compared with the 21:1 ratio that will apply in fee-charging schools.

To ensure fairness in the distribution of resources available under the DEIS plan, it is no longer possible to allow some schools to retain legacy posts on a concessionary basis that predate the introduction of the DEIS scheme. As a result, a decision has been taken to withdraw 428 posts from earlier disadvantage programmes and schemes in 270 primary schools and 163 post-primary schools that exceed what equivalent schools are entitled to under DEIS or to which non-DEIS schools are not entitled.

I am aware that some schools will be particularly impacted by the withdrawal of the legacy disadvantage posts. I met a group of school principals on Tuesday so I could listen directly to their concerns about the impact of this measure on their schools. Consequently, the Department will hold a number of teaching posts in reserve to reduce the impact of changes to schools most acutely affected.

As part of the alleviation measures, DEIS band 1 junior schools will be placed on a staffing schedule based on an average of one teacher for 20 pupils. A further 32 schools that have legacy posts that provided for one teacher for every 15 pupils in junior classes only will now have a staffing schedule that operates on the basis of an average of one teacher for 18 junior pupils.

The special position of DEIS schools will also be recognised in adjustments to the general allocation model, which is used to allocate learning and language support teaching posts to schools. The Department is not in a position at present to give details as to how this measure will affect individual schools, including schools referred to by the Senator. In addition to the budget measures, consideration must be given to the effect of increases and decreases in enrolment on schools' staffing entitlements annually.

All schools will be notified in January 2012, three months earlier than normal, of their staffing entitlements under the new arrangement, including any alleviation measures that may apply. This will allow schools to plan for the school year beginning in September.

Senator Averil Power: I acknowledge the Minister has stated he intends to put in place some alleviation measures. However, I do not understand how he can stand over these changes in general. There is a need to simply reverse them altogether. Again, I ask whether the long-term cost of this measure was considered, not simply in the departmental budget but across Government expenditure as a whole. Time still remains for the Minister to reverse this decision and I hope he will. I acknowledge he has met the principals who have put the case to him but I genuinely fail to discern how he can stand over the measure. I again stress my request to the Minister to reverse this decision because the long-term impact on the most disadvantaged areas will be phenomenal. In the current environment, these are the people who should be protected the most, rather than being targeted. The Minister referred to fairness in his response but I fail to see how anyone could consider this measure to be fair.

Senator David Cullinane: In his response, the Minister stated the Department would hold in reserve a number of teaching posts to reduce the impact of changes on schools most acutely affected. While I welcome and support this measure, the Minister should replace the word "reserve" with the word "replace", which is what is necessary. As for the statement he made that consideration must be given to the effect of increases and decreases in enrolment on schools' staffing entitlement annually, I will cite the example of St. Saviour's school, which potentially will experience a fall in teacher numbers from 24 to 20. In 2010, the aforementioned school had 310 pupils, while in 2012, it will have 318 pupils. In other words, it will have more pupils but four fewer teachers. Moreover, the school had 27 teachers in 2010. Obviously, to go from 27 to 20 teachers will have an impact on that school. This is an example of one school in Waterford but, unfortunately, many schools in this State will suffer a similar fate. I echo the hope expressed by the previous Senator that the decision will be reversed and not simply reviewed by the Minister.

Deputy Ruairí Quinn: I have heard what the two Senators have said. The Department will make contact with all the schools affected by these decisions early in the new year. There will be an additional three months in which to meet each school to go through in detail the reason it as a DEIS school has additional resources, when other DEIS schools in a similar category have fewer resources. The Department will consider ways in which there can be an equalisation within this category. Otherwise, many DEIS schools will lack the resources possessed by the schools in question, which is inherently unfair. As resources are scarce, they must be applied as fairly and as equally as possible. The Department will contact the schools directly to ensure the facts it has in its records tally with those on the ground in those schools.

Garda Stations

An Cathaoirleach: I welcome the Minister for Justice and Equality, Deputy Shatter, to the House.

Senator John Kelly: I also welcome the Minister and am only sorry I was obliged to bring him back here today because he dealt with two similar Adjournment matters yesterday. I wish to raise the proposed closure of the Garda stations at Loughglynn and Tarmonbarry, County Roscommon. On foot of his responses to other Members yesterday, I accept this is not a cost-saving measure. However, I believe some of the recommendations by senior gardaí are flawed in respect of some of the Garda stations they have selected for closure. In the case of Loughglynn, it is a little village close to my home town of Ballaghaderreen, where two gardaí were shot dead in 1980. It is a one-man station and the garda there is retiring. What amazes me in this case is that although this man is ready to retire, the Office of Public Works is spending €80,000 on renovations to the same building and there is something fundamentally wrong with that.

I believe a major mistake is being made in respect of Tarmonbarry Garda station.

Nobody is retiring in this case. Tarmonbarry is one of three gateways to the west, the others being Athlone and Carrick-on-Shannon. However, Tarmonbarry is the main one.

The projected savings by closing Tarmonbarry Garda station is €3,000 to €4,000 per annum while €80,000 is being spent at Loughglynn Garda station. Some 20 years ago there was one sergeant and five gardaí in Tarmonbarry village dealing with 18 houses. Today there are 400 houses in Tarmonbarry and only one garda who is not proposing to retire.

Recently in Tarmonbarry a German couple were tied up and robbed. The incident got national coverage on television and were it not for the quick action of the local gardaí, the offenders would have got away. Obviously rural Ireland is a target for Dublin criminals. This happens regularly, with rural post offices being robbed. Six months ago my sister, who works in a small post office, was held at gunpoint, tied up and robbed by a Dublin gang. They were apprehended on their way towards Tarmonbarry, thank God. Many other post offices in County Roscommon have been robbed by Dublin gangs. Down through the years many of these gangs have been apprehended in Tarmonbarry which straddles the River Shannon. Given that they have to get back to Dublin — there are three routes — 90% return by Tarmonbarry. I have spoken to a senior garda source and he thinks that the decision to close many of the Garda stations is flawed.

Another mistake made recently was that Tarmonbarry Garda station was taken out of the control of the Longford Garda division and put under the control of the Boyle Garda division. That is another reason there should be a manned station in Tarmonbarry. Longford is no more than five or six minutes from Tarmonbarry whereas Boyle is 45 minutes from Tarmonbarry. The bottom line is that we do not want to send a signal to the criminals who come and rob rural areas that we are open for business to them.

Minister for Justice and Equality (Deputy Alan Shatter): I thank the Senator for raising the issue. However, I do not think that a single garda in a station in Tarmonbarry can provide protection for the local community from criminal gangs. It requires a great deal more than that from the Garda Síochána than can be undertaken by any single member of the Garda, no matter how dedicated.

A similar issue was raised in the House yesterday, as the Senator mentioned, in respect of the closure of Corrandulla Garda station in Galway. Many of the points I made then equally apply to the closure of Tarmonbarry and Loughglynn Garda stations. Notwithstanding this, the Garda Commissioner and I are fully aware of the potential impact of the closure of any Garda station on the community it serves. This is why local Garda management in places where a

station is going to close will consult local communities to determine how best to continue to deliver a policing service in their area. It is also the reason the commissioner has reiterated the commitment of the Garda Síochána to providing a professional and effective service to the community in all areas of the country, including Loughglynn and Tarmonbarry.

As the Senator is aware I recently laid before this House the policing plan for 2012. This plan, prepared by the Garda Commissioner under the Garda Síochána Act 2005, sets out the proposed arrangements for the policing of the State during the coming year. Under that plan, 31 Garda stations will be closed from 2012 and a further eight stations which are currently non-operational will be formally closed. Tarmonbarry and Loughglynn Garda stations are among the 31 stations due to close in 2012. In addition, the public opening hours of ten other stations will be reduced. These stations currently open to the public on a 24 hour basis but, in future, will be open to the public from 8 a.m. until 10 p.m. each day.

In reaching these decisions the Commissioner reviewed all aspects of the Garda Síochána policing model, including the deployment of personnel, the utilisation of modern technologies, the operation of Garda stations in terms of opening hours, and possible closures. Additional divisional offices were asked to assess the level of activity in each Garda station in their area. Based on all the evidence, the commissioner concluded the resources could be better deployed and more effectively used on the front line. These particular stations no longer had to be staffed and maintained. This is a very important point as with every other public sector organisation, the Garda Síochána will have to manage with reduced resources.

The House will be aware that Garda numbers are being reduced under plans agreed by the previous Government arising from the commitments made in the EU-IMF agreement. It is vital, therefore, that the best use is made of the available resources and, in particular, that priority is given to front-line operational duties. Both Tarmonbarry and Loughglynn Garda stations are in the Roscommon-Longford Garda division. Tarmonbarry is in the Boyle district, as mentioned, which has a total complement of 38 gardaí at all ranks. Loughglynn is in the Castlerea district which has a complement of 48 gardaí at all ranks. The divisional strength is 291. These divisional resources are augmented, as necessary, by national units such as the Garda national drugs unit and the National Bureau for Criminal Investigation.

I pay tribute to the Garda Síochána, as I did yesterday. I have complete confidence in the capacity of the force to continue to provide an excellent policing service in the communities affected by all the closures, including Tarmonbarry and Loughglynn. The Garda Commissioner should have the support of the House as he introduces necessary reforms to ensure that Garda resources are used as effectively as possible in order that the best possible policing service is provided to the public. In that context, as Minister for Justice and Equality, I have to be guided by the operational assessments and decisions made by the Garda Commissioner. As Minister, it would not be appropriate that I would second-guess a decision of the Commissioner in regard to operational matters.

In regard to two matters raised by the Senator, each of the Garda stations being closed is in the ownership of the Office of Public Works and are important assets owned by the State. Work is taking place on some of those properties to ensure they are maintained in a proper condition because it is intended that the properties will be sold or used for other purposes and, where appropriate, utilised to provide community services, provided no further additional expenditure falls on the State thereafter. There is a responsibility to ensure the premises do not fall into disrepair, are maintained in good condition and, where there are roofing issues, they are addressed in order that buildings do not deteriorate and an asset is not lost.

I regret to learn of the experience of the Senator's sister in the appalling incident he described. Unfortunately, a number of people throughout the country have been affected by similar incidents. I was interested to hear the Senator say that the gang involved were intercepted following the incident. A number of such incidents have been successfully investigated

[Deputy Alan Shatter.]

by the Garda Síochána and have resulted in prosecutions being undertaken. A number of individuals who have engaged in that type of criminality are guests of longevity of the State within our prisons.

An Cathaoirleach: Does the Senator wish to ask a brief question?

Senator John Kelly: I do not accept that one well-trained garda would not be able to do enough to thwart criminals crossing a narrow bridge in Tarmonbarry. The Boyle Garda division, despite all its personnel, is 45 minutes away from Tarmonbarry. It is not necessarily true that a Garda Commissioner or whoever makes decisions at the highest level always gets it 100% right. This particular decision is flawed. I am amazed that 20 years ago, when there were 18 houses in Tarmonbarry, it was possible to have a sergeant and five gardaí in the station. Today, with more than 400 houses, the station is manned by one garda and now the one garda is being taken away. I appreciate the Minister is accepting the advice of the Garda Commissioner but I ask the Minister to ask the Commissioner to review the decision to close Tarmonbarry Garda station.

Deputy Alan Shatter: There are 703 Garda stations throughout the country which developed piecemeal. There was no plan in respect of their creation by this or previous Governments. In 2001, Northern Ireland had 140 police stations. The PSNI has 83 stations and under its reforming measures it is envisaged that approximately a further 35 stations will close in the period leading into 2015. The reality is that we have to take account of the fact that times have moved on. We have more modern communications systems and better intelligence than in the past. However meritorious and dedicated is the service of a single garda in a single station, it is not the efficient way to address organised crime. This change removes a member of the force from desk duty in a station which has limited footfall and facilitates that member being used in front-line services.

I have to respect the statutory operational role of the Garda Commissioner in making operational decisions. While I sympathise and understand the Senator's concerns I do not want to give him any false comfort in this matter. The Garda Commissioner has conducted an overall review. He has reached a conclusion based on an operational assessment that there is no operational benefit to the Garda in keeping this station open. I have to respect that decision. I am not in a position to have that decision reviewed. The 31 stations being closed this year I anticipate are a prelude to further consolidation of Garda stations across the country so our resources are more efficiently used and gardaí are not doing work who could be better used in the front line to the benefit of local communities.

I assure the Senator that it is the Commissioner's absolute commitment to me that in communities where stations close he will ensure that all necessary arrangements are made to maintain a high and necessary level of policing. Where required he will consult with local communities to give them such additional information as they require and to receive from them such comment and information as they wish to share with him or those working under him to contribute to policing.

An Cathaoirleach: We will not have the Minister back in the House until 2012. I thank him for his courtesy and his attendance since his appointment. I wish him a happy and safe Christmas.

Deputy Alan Shatter: I wish all Members a happy Christmas and a peaceful new year.

The Seanad adjourned at 6.35 p.m. until 10 a.m. on Friday, 16 December 2011.