



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

SEANAD ÉIREANN

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

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SEANAD ÉIREANN

Dé Máirt, 18 Nollaig 2012

Tuesday, 18 December 2012

Chuaigh an Cathaoirleach i gceannas ar 12.30 p.m.

Machnamh agus Paidir.
Reflection and Prayer.

Business of Seanad

An Cathaoirleach: I have received notice from Senator Lorraine Higgins that, on the motion for the Adjournment of the House today, she proposes to raise the following matter:

To ask the Minister for Transport to set out a policy programme through the National Roads Authority regarding the adequate lining of all secondary and regional routes and the illumination of bus stops on all primary routes in the interests of safety.

I have also received notice from Senator Michael D'Arcy of the following matter:

To ask the Minister for Jobs, Enterprise and Innovation the number of visits from foreign direct investment companies and individuals who are attached to the IDA to County Wexford to date in 2012.

I have also received notice from Senator Deirdre Clune of the following matter:

The need for The Minister for Education and Skills to outline his plans for fee-paying schools in the education system.

I have also received notice from Senator Colm Burke of the following matter:

The need for the Minister for Health to put in place a comprehensive testing programme for children with spina bifida and hydrocephalus as there is a severe difficulty in accessing vital urology services.

I have also received notice from Senator Michael Comiskey of the following matter:

The need for the Minister for Public Expenditure and Reform to outline if the residence of Seán Mac Diarmada, one of the signatories of the 1916 Proclamation, will receive investment funding for the development of tourist services and facilities and to assist in the continuing conservation of this historical site, as the centenary commemoration of 1916 approaches.

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I have also received notice from Senator Trevor Ó Clochartaigh of the following matter:

Go dtabharfaidh an tAire Coimirce Sóisialaí briseadh síos maidir le líon na ndaoine ón scéim JobBridge a cuireadh isteach le Roinn, eagrais, áisíneacht, nó comhlacht Stáit agus cé mhéid díobh a coinníodh i bpost leis an dream sin ina dhiaidh na scéime.

I regard the matters raised as suitable for discussion on the Adjournment and I have selected Senators Michael D'Arcy, Burke, Comiskey and Ó Clochartaigh and they will be taken at the conclusion of business. Senators Higgins and Clune may give notice on another day of the matters they wish to raise.

Order of Business

Senator Maurice Cummins: The Order of Business is No. 1, motion regarding the Horse and Greyhound Racing Fund Regulations 2012, to be taken at the conclusion of the Order of Business without debate; No. 2, Health and Social Care Professionals (Amendment) Bill 2012 - Committee and Remaining Stages, to be taken on conclusion of No. 1 and to conclude no later than 2.15 p.m.; No. 3, Europol Bill 2012 - Committee and Remaining Stages, to be taken at 2.15 p.m. and to conclude no later than 3 p.m. if not previously concluded; No. 4, Social Welfare Bill 2012 - Second Stage, to be taken at 3 p.m. and to conclude no later than 5.30 p.m., with the contribution of group spokespersons not to exceed eight minutes, all other Senators not to exceed five minutes and the Minister to be given five minutes to reply; and No. 5, motion on the extension of the Credit Institutions (Stabilisation) Act 2010, to be taken on the conclusion of No. 4 and the time to be given to this debate shall not exceed one hour, with the contribution of group spokespersons not to exceed six minutes, all other Senators not to exceed three minutes and the Minister to be given five minutes to reply.

Senator Darragh O'Brien: All of us understand this is an important week for the Seanad. I welcome that the debate on the Social Welfare Bill 2012 is scheduled over three days. It is important that the legislation is debated properly in this House. The Seanad will have more time to debate the Bill than was the case in the Dáil. I hope we will have a reasoned debate and that people will listen to the arguments put forward on both sides of the House. I look forward to putting forward our views and discussing our amendments tomorrow.

I ask the Leader to raise an issue arising with the proposed property tax with the Minister for the Environment, Community and Local Government. Colleagues on Dublin City Council now face a bill of €3.4 million - just two weeks after passing their budget - on the basis of the property tax for which the Minister says local authorities are now liable. Two weeks ago, Fianna Fáil colleagues on Dublin City Council sought a postponement of the council budget in order to get clarification from the Minister as to who would be liable for the property tax and how it would be paid. Dublin City Council owns 21,771 social housing units, all of which will now be liable for the tax, which will bring a bill of approximately €3.4 million. Fingal County Council, my local authority, has 5,077 social housing units, but it is only having its budget today. The bill for Fingal County Council will amount to approximately €1.6 million over a full year. Dún Laoghaire-Rathdown County Council has approximately 4,000 social housing units and it is expected to pass its budget tomorrow.

Did the Minister for the Environment, Community and Local Government, Deputy Hogan, make any effort to consult the local authorities about this? Was there any communication at all with local authority members and county and city managers? Has his Department carried out an assessment of the number of local authority houses in each area and of the cost of the overall bill for each council? Was there any proper examination of this or did the Minister hope people would not notice these changes? As colleagues are aware, most local authorities will pass their budgets over the next few weeks. It is important and the least that can be expected that locally elected members are given some idea, before they pass their budgets, for what additional bills they will be liable.

How can local authorities pay this tax? They must either raise the rents of those living in local authority houses to pay these bills or they must cut services. Last year, when the household charge was introduced - which we supported - it was supposed to fund local government, but all local authorities were hit with a cut of €1 million in September because they did not reach their targets on the collection of the household charge. Now we have a property tax that is particularly anti-urban and anti-Dublin. Local authorities will now be asked to pass a budget to fund local government, which it will not do, and will be hit with an additional bill. Did the Department and the Minister consult the county and city managers on this? Has the Department a list of the number of social housing units in each local authority and has it calculated the approximate cost of the tax for each local authority?

Why did the Minister ignore the recommendation in the Thornhill report, which was not published for eight months, that social housing and the housing stock of local authorities would be exempt from the property tax. This recommendation has been set aside. This is not fair on people working in local authorities, particularly locally elected councillors who are expected to pass budgets without knowing the full story. I would be grateful if the Leader could clarify this issue.

Senator Susan O’Keeffe: On behalf of the Labour Party group, I would like to express our condolences on the enormous tragedy in the United States last week, on the deaths of 20 small children and of the teachers who tried to protect them. I am sure we would all like to express our sorrow and I ask the Leader, on behalf of the Seanad, to write and express this on our behalf.

I agree with Senator O’Brien. I am glad the Minister is able to ringfence that time for the social welfare debate. The Bill is important and has been a cause of concern for many on all sides of the House and in the wider community. I look forward to a robust and fair debate and hope we can reflect not just on the difficulties that have arisen with the Bill, but also look at some of its positive aspects and acknowledge the work that has been done by the Minister, Deputy Burton, and the Cabinet in order to contain and retain enormous levels of payment for the many people who require them.

I acknowledge the comments of the IMF overnight with regard to Ireland and what may happen next year. I acknowledge its commitment to encouraging our European partners to implement the pledges made in regard to breaking the relationship between sovereign debt and bank debt. If we are struggling next year and growth is poorer in Ireland, given that it will potentially be poorer in the US and Europe, perhaps we will be allowed to defer any further cuts that might arise. This will obviously come into the debate early in the new year. We should certainly acknowledge what it has said.

Finally, I would also like to express our concern about the ongoing difficulties in Northern

Ireland. We join with politicians there who have called for peace to be restored in regard to the difficulty over the flying of the Union Jack. Those people might stand back and consider the great damage they are doing to their reputation, both North and South.

Senator Mary Ann O'Brien: I wish to raise the subject of foreign aid. I ask the Leader to call the Minister for Foreign Affairs and Trade to the House for a debate. As the months and years go by in these times of austerity, the latest issue concerns chemotherapy. The Members present may know someone with cancer. Can they imagine having cancer and having to pay €75 per dose of chemotherapy - not per day, but per dose? Remember "Prime Time" and the lady carrying her son up the stairs. Remember the number of times I have asked whether we can ring-fence a couple of million euro as a budget for paediatric home care. Remember the child in Celbridge who has Down's syndrome and who is down to a day and a half a week.

I remind the House of the recent scandal in Uganda in which €4 million went missing. It went into somebody's bank account and it has been proven this was fraudulent. We gave Uganda €33 million in 2010 and, in the same year, the Ugandan Government spent \$740 million on six very smart fighter jets - I cannot even pronounce their name, but they are some type of nuclear fighter jet. That \$740 million was spent on fighter jets while Irish Aid gave €33 million to the Ugandan Government, of which at least €4 million was used fraudulently.

Let us go back to Bertie Ahern and our reputational interest. He was right in those times of rich and plenty to put Ireland up on the world stage and he was right to think of our reputational interest. Today, however, we have to think of our citizens. Each and every Senator is meeting people month by month, week by week, who are in need and desperation, people who are about to default on their mortgages, with all of the emotional and financial stress they must suffer. We plan to spend €624 million on foreign aid in 2013, which represents 0.53% of GDP. Perhaps we could begin to think of shaving this down to 0.5% in 2013 and forget the 0.03%, which would save approximately €24 million. I will let Members put that €24 million in their pockets for the next three days and imagine what they might do with it. Ten years ago, Africa received seven times the amount that was given to Europe under the Marshall Plan following the Second World War. To go back to my 0.5% idea, those Members who are interested in our standing in the United Nations and in our reputational interest will be interested to know that we are still perhaps the ninth or tenth per capita charity giver of foreign aid in the world. As a matter of urgency, will the Leader grant us a debate on foreign aid in the new year? Can we make plans for the next five years until we get our own country ship-shape? Charity begins at home.

Senator David Norris: Following on from Senator O'Brien, I ask that we might take, on Thursday perhaps, a half-hour debate to pass No. 12, which concerns violence in the Congo. It will cost us nothing but will give support to those brave people, including Irish people, who are working there to prevent this kind of violence. I will reserve my comments on the Social Welfare Bill for the debate later today.

I am glad Senator O'Keeffe raised the issue of the killings at Sandy Hook, which were appalling. It highlights the problem of violence, which is not confined to the United States of America. Many years ago, Professor Skinner demonstrated how when the population of rats increases beyond a certain level, violence breaks out endemically. The same is true of humans. We are seeing this type of mass turning on innocent victims all over the world, including in China. It has been said that gun culture in America is a problem. I do not understand how a gun can be connected to culture. It is not connected to my understanding of culture. It is a culture of death. Americans are a frontier people and go back to that all the time but they should properly

confront their history. Their country was founded upon the massacre of the indigenous people. A gun, the Winchester rifle, played a crucial part in that. That needs to be looked at.

One can see the impact of the removal of the human element from the equation. For example, the drone mentality under President Obama which links into video games. I never thought that 20 years after I opposed censorship of videos in this House I would again be speaking of the need for debate on the desensitisation that occurs when children are exposed to games in which they are rewarded for inflicting violence and obliterating people. I was horrified to hear Mr. Henry McKean say on Newstalk that the most popular games among children of a school in my area which he visited were the most violent ones and others in which people are hurt. Children are innocent. They say these things honestly. We need to honestly confront this problem. People must first be dehumanised before they can kill. We heard recently that civilians in the North of Ireland had been declared to be legitimate targets. We also heard through the media that a nurse in London had taken her life because she was declared fair game. I do not blame the two hosts of the Australian station because they are part of a system and were also desensitised. Behind this lies the idea that people can be stripped of their humanity and have violence inflicted upon them. This can be done through the media or with drones.

The issue of rendition was raised in this House a number of years ago by a number of Senators, including the then Leader. Various sources denied this was happening. I draw their attention to the case last week in which Sami al Saadi was awarded €2.2 million. He was kidnapped and tortured in the most brutal fashion, with the assistance of the British. His wife and family were also kidnapped. Sir Mark Allen who was responsible at the British end sent a telegram to his Libyan counterpart congratulating him on not paying for the air cargo. That is the way the wife and children of Mr. al Saadi were described by Sir Mark Allen, an arch hypocrite who blogs as a Christian. We need to confront the problem of violence and not only in the context of America, although tragically America is ahead of the rest of us in this matter.

Senator Cáit Keane: I rise today to raise the issue of the price women pay for motherhood. An OECD report published this week indicates that the gender gap in Ireland widens as women have children. Irish women begin to earn less than men after they have children. I am speaking not about equality between men and women but about the earning potential of women after they have children. The OECD report also indicates that men in Ireland work 344 minutes per day in paid work and 129 minutes per day in unpaid work, which amounts to 473 minutes work per day, while on the other hand women in Ireland work 197 minutes in paid work and 296 minutes in unpaid work, which amounts to 493 minutes work per day, which is more than the number of minutes worked by men yet the earning potential of women is reduced when they have children. There is a need for a wide-ranging debate not only on closing the gender gap and women in the workforce but on women and men in child care, paternity and maternity leave and the ambience of why this is happening and not only in Ireland. It must be a central strategy of every government to create more sustainable economies and inclusive societies. That applies to every society in the world. The world's population is aging and this challenge can only be mastered if all of the talent available is utilised. I call for a debate on this issue, given that we are due to debate the Social Welfare Bill today and especially whether the cut to child benefit is fair or unfair and whether the payment should be universal or otherwise. I would like the issue of childcare to be debated separately in the Seanad. The Minister for Children and Youth Affairs, Deputy Frances Fitzgerald, has taken the matter under her wing and is doing a great job, but she must be helped. This report gives her much more ammunition. She is doing what she can and has done a great deal-----

An Cathaoirleach: The Senator is over time.

Senator Cáit Keane: I call for a debate on child benefit and hope the Leader will agree to my request.

Senator Ned O'Sullivan: I have great respect for Standing Orders, but with the Cathaoirleach's indulgence, I hope he will allow me to acknowledge the death of a great Kerry hero, Páidí Ó Se, who is being buried today. It is no boast that he was a personal friend of mine because he was a personal friend of everybody in County Kerry and loved and respected the world over. Something has left the hearts of Kerry people today. Laoch mór na ríochta ab ea Páidí agus ní bheidh a leithéid ann arís.

I support the leader of my party in the Seanad, Senator Darragh O'Brien, in his comments on the property tax. The fine detail trickling down does not make for good reading. All local authorities are being hit with an unexpected charge and from what I hear from rural areas in Munster, it appears county managers are to put the charge on ratepayers. I do not know if this is a temporary matter intended to be considered later, but ratepayers are suffering enough. They pay enormous rates; they are the only ones who have been paying water charges during the years; business is not great and now it seems they will have to pay property charges for those living in local authority housing. This has to be looked at and I ask the Leader to invite the Minister for the Environment, Community and Local Government, Deputy Phil Hogan, to come to the Seanad to clarify the position. Will this continue, or will local authority tenants be hit with increased rents at a time when they are suffering just like everybody else? Clarity is required.

Senator John Kelly: Like Senator Mary Ann O'Brien, I was outraged to read in the national media that cancer patients were being charged €75 for chemotherapy. I wish to put something straight. Under the Health Acts, if a person goes to hospital, he or she is charged €75 on admission. If he or she stays in hospital for a period of up to ten days, he or she pays €75 each day. After ten days, even if a person has to stay in hospital for an entire year and does not have a medical card, there is no further charge. I refer to outpatient services. If a person who does not have a medical card attends to undergo chemotherapy, he or she must pay €75. For repeat visits in respect of the same illness the person concerned should not have to pay a further €75. This is an underhand charge introduced by the HSE. I do not believe it is legal and it is certainly not justifiable. There are very many people who potentially have terminal cancer and the stress this will cause them must be taken into account. The HSE must rethink. Will the Leader ask the Minister for Health, Deputy James Reilly, to consult it and come to the House to tell us whether this charge is justifiable?

Senator Sean D. Barrett: I raise concerns expressed to me in Armagh on Saturday about the future of the Church of Ireland College of Education. The symbolism shown by the Government in moving to shut down this college appals me. Anybody who has been to the North of Ireland lately knows the unintended consequences of concerns about flags have led to renewed violence on the streets. This matter was raised on the Adjournment on 4 December and the reply read by the Minister of State, Deputy Jan O'Sullivan, on behalf of the Minister for Education and Skills indicated that the Minister had made it clear to the college authorities that although he could not support them in remaining on the current campus, he was happy that they should engage in negotiations. The symbolism shown in not funding the college or in moving it off campus given the current circumstances in Northern Ireland appals me.

1 o'clock

Will the Leader make time available early in the next session for a full debate on all of the matters concerned and on the costs and benefits which arise from the continued operation of the college in question?

Senator Michael Mullins: I join the calls for a debate on Irish Aid in the new year. There is a need for balance in respect of this matter. I was particularly concerned to read at the week-end that a Member of this House called for 75% cut in Irish overseas aid. We are concerned here with the world's poorest people. I refer to those who live in refugee camps, whose lives have been ravaged by war and conflict, who have been affected by natural disasters and who, in many cases, live under very corrupt regimes. These individuals lack the very basic necessities of life such as food, clean water, housing, medical supplies and access to any form of health services. I accept that there have been scandals and the fraud which occurred in Uganda represents a case in point. However, that matter has been put to rights and the money involved will be refunded to Ireland.

There must be transparency and we must ensure that Irish Aid funding does not end up in the hands of corrupt regimes. Irish missionaries and those who work for Irish NGOs are placing their lives at risk on a daily basis for the poorest people of the world. Irish people have always shown their concern for the poor - probably as a result of what happened in our country in the 1840s - and they give very generously to many organisations which work in the Third World. While I wish to ensure that our money is properly spent and that there is full accountability in respect of it, we must also ensure that we do not by our actions deprive the very poorest of the world of the very basic necessities of life.

Senator David Cullinane: This is an important week for the Seanad. We will be debating and voting on two important items of legislation, namely, the Social Welfare Bill and the Finance (Local Property Tax) Bill. While it is welcome that the Social Welfare Bill will be debated over three days, I do not believe that enough time is being allocated in respect of the debate on it. I refer, in particular, to Second Stage, for which two and a half hours have been allocated. I listened very carefully to what many Senators on the Government benches have had to say on this issue in recent days and weeks in the media. They have appeared on every national radio station imaginable and have spoken about wrestling with their consciences on issues such as cuts to child benefit and the respite care grant. These individuals should be given the opportunity to make contributions to the Second Stage debate on the Social Welfare Bill in order that they might place their views on the record of the House. All of the Sinn Féin Senators want to contribute to the debate on this hugely important legislation, which will have profound implications for many families who depend on child benefit.

I wish to move an amendment to the Order of Business to the effect that at least three and a half hours should be allocated for the Second Stage debate on the Social Welfare Bill and that if anyone signals a wish to contribute, he or she should be allowed to speak. I will wait to see what the Leader has to say in respect of this matter. The Social Welfare Bill and the Finance (Local Property Tax) Bill are both extremely important and we should ensure that they are properly scrutinised. That is what we are elected to do. We can show the worth of the Seanad by ensuring that we do our jobs. It would be a bad day for the House if Senators, be they on the Government side or in opposition, who want to contribute to the Second Stage debate on this

profound Bill will not be able to do so as a result of the short amount of time which has been allocated.

Senator Aideen Hayden: I wish to refer to the residents of Priory Hall who, for the second year in a row and on foot of a High Court order handed down in October 2011, will spend Christmas out of their homes. Many of these people continue to pay mortgages on their properties. I ask that the Leader invite the Minister of State at the Department of the Environment, Community and Local Government, Deputy Jan O'Sullivan, to come before the House to discuss what is going to be done for the residents of Priory Hall. The State has ultimate responsibility in respect of this matter, particularly as it has overall responsibility in respect of building standards. It was a failure to comply with those standards which has placed the residents to whom I refer in the position they currently occupy. I would like the Minister of State, Deputy Jan O'Sullivan, to explain what is being done for the residents and to outline how it is proposed to rectify the damage caused to the properties they own. This is no laughing matter, particularly as the properties in question will never be capable of being sold on the market. Something must be done for the residents of Priory Hall.

Senator Denis O'Donovan: I concur with the remarks of my colleague, Senator Ned O'Sullivan, on the late great Páidí Ó Sé, a man I knew very well and for whom I had a great grá. There is huge rivalry between Cork and Kerry football, particularly in west Cork, but mingled and tingled with that rivalry is a great respect, and he was somebody for whom I had great respect. I had great camaraderie with him and I met him on many occasions. I concur with what Senator O'Sullivan said.

On behalf of the Fianna Fáil members of the House, I wish to convey our deep condolences to the people of Connecticut on the terrible tragedy that occurred in the school there. I travelled to Connecticut earlier this year to attend a wedding and I visited my nephew and some family and friends. When one is aware of how close people one knows are to where that tragedy occurred, it acutely brings home the terrible tragedy that unfolded.

I would like to second the amendment to the Order of Business proposed by Senator Cullinane that more time be allocated for the debate on the Social Welfare Bill.

I primarily wish to raise a matter we dealt with in the Seanad Public Consultation Committee last March in our report on older people. A demand was made by many organisations such as Older and Bolder to rectify the problem regarding habitual residency clause to provide for a person who comes home to care for a loved one. A few such instances were raised with me in my constituency. Such a case was highlighted today on "Today with Pat Kenny" by Councillor Bell, a Labour Party councillor from County Louth, which involves a woman who returned from England, having given up her job, to care for her sick mother who was waiting for a liver transplant. I ask the Leader and the Labour Party members to put pressure on the Minister to have this anomaly moved off the stage. It is causing hardship and pain and it was an unintended consequence of legislation that was introduced to stop the trafficking of people to this country from eastern Europe and other places to avail of our generous social welfare benefits. I know the Minister concerned will be in the House this week and I ask if this anomaly can be rectified. That lady in County Louth and other people with similar cases, which are replicated throughout the country, do not deserve to be excluded because of the tight provisions of the legislation. An amendment to the legislation would be appropriate to make sure that genuine cases are not damned, so to speak, by legislation that was never intended to adversely affect them.

Senator Michael Comiskey: I welcome the news announced by the Minister for the Environment, Community and Local Government, Deputy Phil Hogan, yesterday that a grant scheme will be provided for people who want to upgrade their septic tank. I particularly welcome the fact that it is targeted at people on lower incomes, those with an income under €50,000, who will be able to apply for up to 80% of the cost involved and those with a higher income than that will be able to apply for up to 50% of the cost involved. It is a very good scheme. There was considerable scaremongering here and in the other House and across the country when we discussed the registration of septic tanks, which was a requirement to comply with an EU rule that has been in place for many years. I am particularly pleased about this development because it is a matter I and many of my colleagues have been pursuing for up to ten years. This announcement is good news. It will create jobs and if there are problems with systems the required works with help the environment and it will be good for the country in general.

Senator Feargal Quinn: I draw the attention of the House to an American investment company, Franklin Templeton, which invested €8.5 billion in Irish bonds last year because its investor, a man called Mr. Hasenstab, decided that he had confidence in Ireland. At a time when those in other countries were saying “look at what is happening in Europe, we do not have confidence in any of those countries”, he said that his company was going to take an investment decision. That company invested €8.5 billion in Irish bonds at a time when the Irish rates were way over the top and he has made a great deal of money on his investment and for his company’s pension funds. The reason I mention that investment is that we in Ireland need to have that sort of confidence in ourselves. I find that too often too many of us say we will save rather than invest or start a new business. Our savings are now very high, much higher than they have been for many years. The reason is that many people are saying they do not have confidence. If we could only instil in Irish entrepreneurs confidence to invest in the country, we could demonstrate the same success with our investment as Mr. Hasenstab has demonstrated with his.

I can understand the feelings of Senator Mary Ann O’Brien on foreign aid. Senator Mullins put very well his point that Ireland is one of the wealthiest nations in the world and that there are people starving and dying elsewhere. There is an onus on us to look back at what happened in Ireland during the Famine days, during which we criticised others because they did not help us. Those people in Africa who are starving and dying from hunger will have every right to look back on us in some years and label us a wealthy country that decided to reduce its investment in foreign aid. We must continue to invest and we have a responsibility to do so. The people in Africa deserve this.

Senator Fidelma Healy Eames: Let me continue on the subject of foreign aid. We must proceed very carefully. When circumstances are rough here, it is very easy to consider easy options. I support the call for a debate on foreign aid in the new year. The debate should be balanced. Let us face the fact that Africa had resources that were exploited by the West. Consequently, we are doing a little bit through foreign aid to correct the imbalance and help the natives of African countries to help themselves. We really need to be careful. As Senators Quinn and Mullins said, we, too, have responsibilities. The debate will be interesting.

I join others in expressing horror over the slaughter of innocents at the weekend in Newtown, Connecticut, and the slaughter of the heroic teachers who did their best to defend them. I taught in a school not too far from that area. I can only imagine the warmth, care and love that was interrupted so rudely and harshly by gunfire and slaughter. It would be very wise for the Seanad to send its condolences to the affected families.

A political point needs to be made, namely, that it should not require a tragedy of this scale for governments and politicians to take action. It is only now that something will be done about the gun culture in the United States. Sometimes lobby groups can shout very loudly. People elect politicians and expect them to do what is right and just. Each day in this country, we are challenged in this regard. There is a lot to be learned in a very stark and horrible fashion from what has happened in the United States.

Senator Thomas Byrne: Let me refer to last year's Social Welfare Act. Significant changes were made to the lone-parent family payment in that legislation but it was only this week that lone-parent families have been notified by the Department of some changes being made, with effect from 1 January, and others that will come into effect from next summer. The latter changes have been postponed. It was awful for the Department to write to affected individuals about the earnings disregard and other changes only a week before Christmas, although these changes were flagged by the Government in its budget last year. Some of the changes were made a number of years ago. Why is the Department of Social Protection only writing now to those who are statistically the most vulnerable in society? Lone-parent families are the most vulnerable and poor. What is occurring is shameful. I propose an amendment to the Order of Business so the Minister for Social Protection can discuss this matter in the Chamber for 15 minutes in advance of our consideration of the Social Welfare Bill.

Senator Paul Coghlan: I concur fully with the remarks of Senators O'Donovan and O'Sullivan on the appalling shootings and murder in the school in Connecticut.

I echo the Senators' remarks on the sad passing of that great character Páidí Ó Sé, who was always so full of wit and humour and who was wonderful company. The Cathaoirleach played against him in a famous game in the 1970s. I think the Cathaoirleach was in the forwards and he was right full back on the day; he was in the back line anyway. I think Kerry won that game. It is a frightfully sad passing and we all send our deepest sympathy and condolences to his wife, Máire, and his family.

I raise a matter I referred to last week. I am sorry Senator Ó Domhnaill is not here because Senator Ó Domhnaill-----

Senator Darragh O'Brien: The Senator is not supposed to refer to somebody not in the House.

Senator Paul Coghlan: Senator Darragh O'Brien is a model of decorum and he should understand that it is an abuse of privilege. Senator Daly must either put up or shut up. He cannot come into this House and make the outrageous allegations that were made here last week regarding former officials of HSBC being employed by NAMA, which is unfounded, that one of them left and that a lucrative contract was awarded to a firm he is associated with. Those allegations are untrue and unfounded. The Senator involved should come in here and substantiate those allegations or be man enough to withdraw them.

Senator Darragh O'Brien: He will.

Senator Trevor Ó Clochartaigh: Ba mhaith liom cur leis an nóta cómhbhroin atá déanta ag mo chomh Sheanadóirí maidir le bás Pháidí Uí Shé, fear mór peile, gan dabht, ach fear mór Gaeilge agus Gaeltachta chomh maith. Aireoidh muintir Chiarraí uathu é, agus muintir Chorca Dhuíbhne, ach go háirid. Déanaim comhbhrón lena chlann, lena chairde agus le gach duine eile a bhfuil aithne acu ar Pháidí. Go ndéana Dia trócaire air.

I concur with Senator Comiskey who spoke about the announcement made by the Minister, Deputy Hogan. It is great that he has succumbed to the pressure from the Opposition on this issue because he certainly did not indicate during the debates that he would make grants available. The only issue I would have is that he has not gone far enough. I do not understand the reason any of the rural dwellers in question-----

Senator Cáit Keane: He did say at the outset that-----

An Cathaoirleach: Senator Ó Clochartaigh without interruption, please.

Senator Fidelma Healy Eames: Give credit where credit is due.

An Cathaoirleach: Senator Ó Clochartaigh without interruption.

Senator Trevor Ó Clochartaigh: He has only gone 80% of the way; he should have gone 100%. There is no reason rural dwellers should have to pay the 20% tax which now will be imposed on septic tanks.

I call on the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, to come to the House because there are a number of issues we should raise and debate with him.

Senator Thomas Byrne: The promissory note.

Senator Trevor Ó Clochartaigh: I do not know whether that is his area of responsibility-----

Senator Thomas Byrne: It seems to be.

Senator Trevor Ó Clochartaigh: -----not to mention expertise. A communications charge was mooted but it seems to have gone by the wayside. I did not hear any talk of it in the budget. It is certainly a cost that would impact on households and families and I would like to find out whether it is the intention of the Minister to go ahead with the intended communications charge.

While he is in the House the Minister could let us know the position on the national wind energy strategy and whether he intends to bring one forward. Also, he might indicate whether he has made up his mind on changing the oil licensing regime in this State as recommended by the joint Oireachtas committee.

Senator Catherine Noone: I join my colleagues in urging a balanced debate on the issue of foreign aid. I concur with the comments of Senators Mullins, Quinn and Healy Eames on that. We are all acutely aware that it is an extremely tough time to be a citizen in this country but we are dealing with people who are concerned about mortality. Much of the investment and the money we pay goes towards the fight against child mortality and a good deal of work is being done in the first 20 months of a child's life, including the time from when they are conceived. In dealing with such issues we must be balanced in our approach and I would welcome a debate on the issue in the new year.

I urge caution in the hunt for a new chief executive officer for the National Consumer Agency. It is proposed that that agency be merged with the Competition Authority in the coming months. I understand that legally a CEO is required for the agency but in circumstances where money is tight I would have thought that a job which attracts a sum of between €130,000 and €137,000 but will be obsolete in a few months may be one we may wish to forgo. I urge

that the merger be expedited rather than continue the hunt for a CEO to take over the National Consumer Agency.

Senator Diarmuid Wilson: I second the amendment to the Order of Business proposed by Senator Thomas Byrne. I join Senators in welcoming the announcement yesterday by the Minister for the Environment, Community and Local Government, Deputy Phil Hogan, that he will provide some grant aid towards the mediation works required to be carried out on septic tanks. Like Senator Trevor Ó Clochartaigh I am glad he listened to the Opposition because over many months during the debate in the House we pointed out that the scheme was unworkable unless grant assistance was provided.

Senator Darragh O'Brien: He should listen to us more often. We will dig him out of that hole.

Senator Diarmuid Wilson: I very much welcome the fact that eventually he listened to the Opposition and now he should listen to us in respect of the property tax and the water charges. He can take the credit once he listens.

When is it intended to take the Education and Training Boards Bill in the House given that an announcement was made some months ago regarding the amalgamation of VECs and the names of the CEOs of the newly formed education and training boards. We have a situation where CEOs in charge of VECs will be moved to other counties to preside over the newly formed education and training boards, yet they do not know when this will happen. In a sense, they are like dead men walking. They have responsibility for the committees to which they are attached but have been designated to the education and training board areas. Perhaps the Leader will clarify the position.

Senator Colm Burke: Much debate is taking place on social welfare and health care. On the issue of health care, Health in Ireland: Key Trends in 2012 shows the changes which have occurred. We speak negatively in respect of the health care system here but we need to look at the positive aspects. There has been a 36% reduction in the number of deaths as a result of heart attacks, stroke and certain diseases and an 8% reduction in the number of deaths from cancer while at the same time the health service has continued to grow in terms of providing services. For example, the number of day procedures has increased from around 350,000 per year to more than 880,000 per year, a 149% increase. Also the number of outpatient visits to hospitals has increased from 2,185,000 to more than 3,583,000 per year, a 64% increase in outpatient appointments in a 12 month period. While there has been ongoing criticism of the health service and the services provided these changes have occurred. In the debate we need to look at the positive elements. I accept we must continue to improve the service but let us not forget the progress made. In regard to foreign aid, I have visited a number of countries and has been in hospitals where the basic essentials are not available, such as electricity and water supply, and where HIV is running at 40%. In one country I visited there were 700,000 children under the age of 12 where both parents had died as a result of HIV; that is the difference between what we are dealing with in our health service and what those countries are dealing with in their health service or lack of health service. It is important to consider those issues on any debate on social welfare or health care.

Senator Rónán Mullen: I echo the comments of my colleague, Senator Colm Burke, a point raised also by Senator Quinn and others. It would reflect badly on us as a country, even in a time of crisis, if we were to forget our obligation to try to be a beacon in a world where there

is much deprivation.

I think our commitment to foreign aid is one of the better things about Ireland and it must continue. It is disturbing that the topic recurs with such frequency. There is definitely an issue about how money is spent and we need to be eagle-eyed about it but we must maintain a full-hearted commitment to foreign aid.

It is entirely appropriate that we join in solidarity with the parents of the children who died in Connecticut. Let us not slip into a double think, however, that we forget a category of children in our own country. The Government has a very serious decision to make in the coming weeks and months on the abortion issue. It is troubling that having done so well in her role as Minister for Children and Youth Affairs, Deputy Frances Fitzgerald appeared to show no concern for unborn children in her speech yesterday. A whole category of children are in danger of being excluded.

Senator Susan O’Keeffe: That is disgraceful.

Senator Cáit Keane: Withdraw that remark.

Senator Rónán Mullen: Let me draw the attention of the House to the comments of the Minister for Children and Youth Affairs, Deputy Frances Fitzgerald and the UN rapporteur. How dare he call Ireland’s maternal care into question and draw comparisons between it and the care in India? India is sadly a death trap for women in terms of maternal care.

Senator Susan O’Keeffe: How could Senator Mullen link the death of children in Connecticut with this debate?

Senator David Norris: This is a serious mistake on the part of Senator Mullen.

Senator Rónán Mullen: I think it is very important to find a way to challenge robustly any attitude or culture of neglect or disrespect for the unborn without attacking people. We can criticise what people say. In conclusion, Senator Fitzgerald suggested that people would be making false claims about women feigning suicide. However, the Minister of State at the Department of Health, Deputy Kathleen Lynch talked about women feigning insanity to do what they believed was the right thing to do in the circumstances.

I am very worried about the Government’s attitude. I want to promote a culture of best care for women and their unborn children to patients. I am worried about the attitude to that at the highest level of Government.

An Cathaoirleach: Before I call the Leader I would like to be associated with the expressions of sympathy to the young innocent children in Connecticut and to their teachers who were slain.

I wish to be associated with the expressions of sympathy to the wife and family of the late Páidí Ó Sé who was a legend. His achievements should not be underestimated. I was at the receiving end of his might in the mid-1970s.

Senator Maurice Cummins: I join with the Cathaoirleach and Members of the House in expressing our sincere sympathy to all the families of the young children who were massacred in Connecticut. It was a dreadful thing to happen.

I also extend sincere sympathy to the family of the late Páidí Ó Sé, who has been a larger than life figure in the GAA over many a year.

Senator Darragh O'Brien raised the question of whether the Department of the Environment, Community and Local Government consulted the county and city managers of local authorities. My information is that it did but the Senator will be able to elicit the information he requires when we debate the property tax later in the week. I am sure the Senator will get the answers to all the questions he posed this afternoon.

Senator Susan O'Keeffe welcomed the statement of the IMF. I am sure we welcome the statement on growth. Senator Mary Ann O'Brien among other Members spoke on foreign aid. Her contribution differed from that of almost all of her colleagues as she suggested we should cut our contribution. I read a newspaper report that another Member was supposed to raise a proposal that we would cut our aid by 75%. I think the suggested 75% cut is absolutely ludicrous. Our NGOs do tremendous work with foreign aid. I agree that we should have a debate on foreign aid. I will arrange a debate early in the new year - probably in early February - with the Minister of State, Deputy Costello, on that matter. Senator Norris also raised the issue of foreign aid. He has fought for increases to overseas aid, as well as having more transparency. I also note his comments on the violence inherent in video games. It is certainly a problem not just in America but across the world. It is a matter we should look at in this House.

Senator David Norris: What about a debate on the Congo?

Senator Maurice Cummins: We can certainly do that. We can have a debate on foreign aid also.

Senator Keane called for a debate on closing the gender gap and the recent OECD report in this regard. Senator Kelly raised the matter of charges for cancer patients. It is a matter which should be addressed. I understand the charge referred to is not a new charge but has been in place for some time, although that is not to say it is correct. Senator Barrett raised the future of the Church of Ireland College of Education. The Senator could table this as an Adjournment matter and get a full response from the Minister for Education and Skills. Senator Mullins outlined the benefits of foreign aid, which I have already addressed.

Senator Cullinane called for more time on the Social Welfare Bill. I believe two and a half hours is more than sufficient for Second Stage. As the Leader of the Opposition stated, I insisted it was broken up and that we have separate days for Committee and Report Stages. Before, we would have taken Committee and Remaining Stages on the same day. Two and a half hours is more than sufficient for Second Stage and there will be ample time on Committee and Report Stages to tease out problems in the Bill. I do not propose to accept the amendment to the Order of Business in this regard. When we had a debate on the report of the expert group on the A, B and C judgment several weeks ago, I was told we would need four days of debate on the subject, but it did not even last the two and a half hours allotted to it. We want to be careful what we are asking for as it might be granted.

Senator Hayden raised the plight of residents in Priory Hall. I will ask the Minister of State, Deputy Jan O'Sullivan, to come to the House to give us an update on the resolution of this matter. Senator O'Donovan raised the matter of the report of the Seanad Public Consultation Committee on older people, which recommended resolving the problem that arises due to the anomaly of the habitual residency clause. The Senator should raise this matter with the

Minister for Social Protection, Deputy Burton, on the Social Welfare Bill. It is an anomaly that should be plugged and, hopefully, this can be done in the Social Welfare Bill.

Senator Comiskey welcomed the announcement by the Minister for the Environment, Community and Local Government of grants for the upgrading of septic tanks. I remember the long debate we had over several days about the septic tank legislation. The Minister said at the time he would probably introduce a grant scheme for remediation but only until the registration process was completed. He has done it now but he is still castigated for it.

Senator Thomas Byrne: We would have supported the legislation at the time if he had agreed to the grants then.

Senator Maurice Cummins: This announcement has been welcomed begrudgingly on some parts of the Opposition benches.

Senator Thomas Byrne: We pushed the Government very hard on the issue.

Senator Denis O'Donovan: That was our principal demand.

Senator Maurice Cummins: Senator Quinn raised the matter of the American investment fund that has bought up €8.5 billion in Irish bonds and the confidence this shows in Ireland. He suggested we should have that confidence ourselves, including those who invest their money in new business and act as entrepreneurs. Senator Feargal Quinn has been to the fore in advocating that AVCs should be allowed to be used for that purpose. The decision to accede to this request in the budget has been welcomed by all.

Senator Fidelma Healy Eames also referred to the slaughter of innocent children and teachers in Connecticut.

Senator Thomas Byrne proposed an amendment to the Order of Business which I do not propose to accept. The Minister for Social Protection will be in the House to debate the Social Welfare Bill 2012 and the issues arising can be discussed in that context. I do not see why we need to arrange a meeting 15 minutes prior to the debate on the Bill.

Senator Trevor Ó Clochartaigh welcomed - wholeheartedly of course - the septic tank grant.

Senator Trevor Ó Clochartaigh: It should be 100%.

Senator Maurice Cummins: In regard to the communications charge, that is a matter which could be raised on the Adjournment.

Senator Diarmuid Wilson asked about the educational training boards legislation. It will be brought before the House in late January or early February.

Senator Colm Burke spoke about the massive increases in numbers and procedures in the health service for several years, including the increase in the number of outpatient appointments. A lot has been done, but, as the slogan goes, there is a lot more to be done in that regard.

Senator Rónán Mullen: Imitation is the sincerest form of flattery.

Senator Maurice Cummins: The large increase in the number of procedures should be highlighted.

Senator Rónán Mullen linked the deaths of the children in Connecticut with the issue of abortion here.

Senator Rónán Mullen: They are the Government's proposals.

Senator Maurice Cummins: The two issues should not have been mentioned in the same breath.

Senator Rónán Mullen: The Leader needs to rethink his position.

Senator Maurice Cummins: We deserve more than that type of comment in this House.

Senator Rónán Mullen: It shows how casual the Government is about unborn children.

An Cathaoirleach: Senator David Cullinane has proposed an amendment to the Order of Business: "That at least three and a half hours be allowed for the Second Stage debate on the Social Welfare Bill 2012."

Amendment put and declared lost.

An Cathaoirleach: Senator Thomas Byrne has proposed an amendment to the Order of Business: "That 15 minutes be allowed prior to taking No. 4 to discuss the changes in payments to single parents as a result of budget 2011, of which recipients are now being notified." Is the amendment being pressed?

Senator Thomas Byrne: Yes.

Amendment put:

The Seanad divided: Tá, 14; Níl, 33.	
Tá	Níl
Byrne, Thomas.	Bacik, Ivana.
Crown, John.	Barrett, Sean D.
Cullinane, David.	Bradford, Paul.
Daly, Mark.	Brennan, Terry.
Leyden, Terry.	Burke, Colm.
MacSharry, Marc.	Clune, Deirdre.
Norris, David.	Coghlan, Eamonn.
Ó Clochartaigh, Trevor.	Coghlan, Paul.
O'Brien, Darragh.	Comiskey, Michael.
O'Donovan, Denis.	Conway, Martin.
O'Sullivan, Ned.	Cummins, Maurice.
Power, Averil.	D'Arcy, Jim.
White, Mary M.	Gilroy, John.
Wilson, Diarmuid.	Harte, Jimmy.
	Hayden, Aideen.
	Healy Eames, Fidelma.
	Henry, Imelda.
	Higgins, Lorraine.

Seanad Éireann

	Keane, Cáit.
	Kelly, John.
	Landy, Denis.
	Moloney, Marie.
	Moran, Mary.
	Mulcahy, Tony.
	Mullen, Rónán.
	Mullins, Michael.
	Noone, Catherine.
	O’Keeffe, Susan.
	O’Neill, Pat.
	Quinn, Feargal.
	Sheahan, Tom.
	Whelan, John.
	Zappone, Katherine.

Tellers: Tá, Senators Ned O’Sullivan and Diarmuid Wilson; Níl, Senators Paul Coghlan and Aileen Hayden.

Amendment declared lost.

Order of Business agreed to.

Horse and Greyhound Racing Fund Regulations 2012: Motion

Senator Maurice Cummins: I move:

That Seanad Éireann approves the following Order in draft:

Horse and Greyhound Racing Fund Regulations 2012,

a copy of which Order in draft was laid before Seanad Éireann on 6th December, 2012.

Question put and agreed to.

Health and Social Care Professionals (Amendment) Bill 2012: Committee and Remaining Stages

18 December 2012

An Leas-Chathaoirleach: I welcome the Minister for Health, Deputy James Reilly.

Bill reported without amendment, received for final consideration and passed.

2 o'clock

Sitting suspended at 2 p.m. and resumed at 2.15 p.m.

Europol Bill 2012: Committee and Remaining Stages

Acting Chairman (Senator Diarmuid Wilson): I welcome the Minister, Deputy Shatter, back to the House.

Sections 1 to 3, inclusive, agreed to.

SECTION 4

Senator Trevor Ó Clochartaigh: I move amendment No. 1:

In page 5, subsection (3), line 3, after “fit” to insert “, and this figure will be made public”.

Céad míle fáilte romhat arís a Aire. What we are seeking to do with this amendment is to ensure the section provides for the number of officers who serve in the Europol national unit to be made public. This is a reasonable amendment. We think all of these things should be known to the public and the Minister of State stated on Committee Stage that there was no substantial issue of security but pointed to the difficulty of ascertaining the numbers who might be in the unit. This seems difficult to understand. Personnel move around, but this is also true of other parts of the public service. The amendment seeks an indicative figure for the number of staff working in the unit. We regard this as both proper and appropriate to give an indication of the resources required and the scale of requirements in the context of the Bill.

Minister for Justice and Equality (Deputy Alan Shatter): I cannot accept the proposed amendment. It is not appropriate or necessary. The Europol national unit is the unit of the Garda Síochána as much as the crime policy and operational support units are units of it. The staffing of any unit within the force is a matter for the Garda Commissioner in accordance with his functions under section 26 of the Garda Síochána Act 2005. Assignments may change from time to time and it is up to the Commissioner to determine the appropriate staffing arrangements within the force at a particular time. For this reason, the amendment is not appropriate, given the functions of the Commissioner under the 2005 Act. Moreover, the amendment is not necessary. I assure the Senator, however, that there is no secrecy about the number of gardaí serving within the national unit. I am happy to inform the House that there is currently one detective sergeant and two detective gardaí attached to it. The unit comes under the direction of the head of the Europol national unit who is a detective chief superintendent. Should the Senator wish to check the number of staff in the unit at a later date, he may inquire through my Department. I regard this as a completely unnecessary amendment.

Senator Trevor Ó Clochartaigh: I do not see the amendment as unnecessary or how it could do any harm. However, I thank the Minister for clarifying that it will be possible in the future to ascertain the numbers involved.

Amendment put and declared lost.

Section 4 agreed to.

SECTION 5

Acting Chairman (Senator Diarmuid Wilson): Amendments Nos. 2 and 5 are related and may be discussed together, by agreement. Is that agreed? Agreed.

Senator Trevor Ó Clochartaigh: I move amendment No. 2:

In page 5, subsection (1)(a), line 36, after “Europol” to insert “on a case by case basis”.

This amendment seeks to copperfasten the sovereignty of the police service and the defence of human rights standards in the State. Rather than saying we will respond to requests from Europol, we should say responses will be authorised on a case by case basis and limited to what is necessary. We should ensure appropriate safeguards and accountability mechanisms are in place before we respond in this way. We should protect and enshrine our own standards to ensure the sovereignty of our police service and policing practices. It is well documented that there are human rights abuses in EU member states and even if there were not, we should hardly consider it impossible that there might be such a scenario in the future. In that context, as a state, we should have a reasonable level of discretion and consider each case on its merits. On Committee Stage the Minister of State stated the provisions of section 7 ensured there was no obligation on the State to comply with any request. If that is the case, why is the amendment problematic?

Amendment No. 5 would have the same effect as amendment No. 2. However, whereas amendment No. 2 deals with requests for information, amendment No. 5 to section 7 deals with a request from Europol to initiate an investigation. The point to be made is that there is a need to ensure legislation will be human rights proofed and also the sovereignty of the police force here. These matters should be considered on a case by case basis and on their merits.

Deputy Alan Shatter: Again, I am sorry to inform the Senator that I will not be accepting the amendments. Our obligation is to transpose each and every article of an EU Council decision that is relevant from a domestic perspective. Section 5 gives effect to Article 7, paragraph 1, of the Council decision which states, “Member States shall deal with any request by Europol to initiate an investigation...”. Therefore, under the Council decision, there is an obligation to accept a request for the initiation of criminal investigations. However, we must also look at section 7 which sets out the actions to be taken following a request from Europol to initiate an investigation. Paragraph (1)(b) provides that the competent authority, that is, the Garda Síochána or the relevant office of the Revenue Commissioners, shall decide whether to comply with the request. In effect, the decision on whether an investigation should be initiated is made on a case by case basis and the relevant authorities in this State may refuse any such request as per the section.

In that context the Senator’s proposed amendments are not relevant.

In order to comply with the Council decision, while we must accept all requests from Eu-

ropol there is no obligation to comply with them. I am refusing the amendment on the basis that the amendment to section 5 would undermine our compliance with the Council decision. The provisions of section 7 are such that in any event there is no obligation on the State to comply with a request once received. For that reason amendment No. 5 is not necessary.

Amendment put and declared lost.

Acting Chairman (Senator Diarmuid Wilson): Amendments Nos. 3, 4 and 6 are related and may be discussed together.

Senator Trevor Ó Clochartaigh: I move amendment No. 3:

In page 6, subsection (2), between lines 12 and 13, to insert the following:

“(d) jeopardise the human rights of a person.”.

This amendment concerns human rights standards in the State. Amnesty International has found that almost every state in the EU has been guilty of human rights abuses, including abuses on the part of their police services. The amendment seeks to enshrine human rights standards to strengthen the Bill. It is perfectly reasonable that this should be a consideration when we are weighing up whether to provide information to Europol or to refuse to do so. All legislation should be human rights proofed, particularly where it relates to justice and due process. Clearly it should be a legitimate consideration.

Amendment No. 4 is a related point. All our legislation should be human rights proofed, particularly when we are considering how justice information is being used. Therefore, we need to ensure that both the processes used in the unit and by liaison officers are human rights proofed and that liaison officers are well trained in this regard and will be well informed as to the dangers of mishandling information or how human rights can be put at risk by failing to abide by due process. This will ensure best practice is followed and that any risk of miscarriages of justice are minimised.

Amendment No. 6 has the same effect as amendment No. 3 but applies to section 7. It seeks to ensure the State can refuse to co-operate should it be of the view that permitting the investigation would jeopardise the human rights of a person. It is entirely within the realms of possibility that such circumstances could arise. Therefore, this should be one of the grounds for reserving the right to refuse permission for an investigation and maintain a good perception of Ireland in terms of its human rights.

Deputy Alan Shatter: Amendments Nos. 3 and 6 as outlined by the Senator add to the grounds for refusal of assistance to Europol by seeking to include “jeopardising the human rights of a person.” Amendment No. 3 is to section 5 and seeks to add the new ground for refusal to those already listed as reasons for refusing to provide information to Europol as set out in subsection (2). That subsection gives effect to Article 8(5) of the Council decision. The amendment would go beyond our remit in transposing the Council decision.

Amendment No. 6 would go beyond the remit of Article 7(3) of the Council decision and to which section 7 gives effect. My primary reason for refusing these amendments is, like the previous amendment we discussed, they are not necessary.

This State and its agents are committed and obligated to promoting and protecting the fundamental rights provisions of our Constitution. Equally, the State adheres to international hu-

man rights obligations, including those under the European Convention on Human Rights to which the State is a party. There is no need to set out or confirm in statute an obligation which already arises under our domestic Constitution and our international obligations. This is effectively a drafting matter.

I cannot accept amendment No. 4. Members of An Garda Síochána, customs officers or liaison officers are subject to the requirements to observe human rights. The promotion and protection of human rights underpins all Garda training. The Garda has a comprehensive education and training information system for the professional development of all members. This development programme incorporates training in human rights issues.

Having said that I also consider this amendment falls outside the remit of the Council decision. In accordance with Article 9, once seconded to Europol, liaison officers shall be subject to and required to act in accordance with the national law of the seconding member state. In this case that is the Netherlands. Human rights are codified within the Dutch constitution and the Netherlands, as with Ireland, is party to a number of international human rights instruments, including the European Convention on Human Rights and Fundamental Freedoms.

The proposed amendment would require some form of Irish national oversight *vis-à-vis* Irish liaison officers in circumstances where, as a result of their secondment, they are subject to Dutch law. For these reasons I cannot accept the amendment.

Amendment put and declared lost.

Section 5 agreed to.

Section 6 agreed to.

NEW SECTION

Senator Trevor Ó Clochartaigh: I move amendment No. 4:

In page 6, before section 7, to insert the following new section:

“7.—(1) The Garda Commissioner shall ensure external human rights auditing of all liaison officers training materials.

(2) The Garda Commissioner shall ensure all liaison officers appointed will undergo human rights training before taking up positions.”.

Amendment put and declared lost.

SECTION 7

Senator Trevor Ó Clochartaigh: I move amendment No. 5:

In page 7, subsection (1)(b), line 4, after “request” to insert “on a case by case basis”.

Amendment put and declared lost.

Senator Trevor Ó Clochartaigh: I move amendment No. 6:

In page 7, subsection (2), between lines 16 and 17, to insert the following:

“(d) jeopardise the human rights of a person.”.

Amendment put and declared lost.

Section 7 agreed to.

Section 8 agreed to.

SECTION 9

Senator Trevor Ó Clochartaigh: I move amendment No. 7:

In page 8, subsection (2), line 25, to delete “is satisfied” and substitute “has received a guarantee”.

The purpose of this amendment is to strengthen section 9. Rather than accepting assurance from Europol that only the appropriate authorities will have access to information, the Government would receive a guarantee which would provide for a stronger position legally.

Deputy Alan Shatter: I cannot accept the amendment, the effect of which would be to remove the need for the head of the national unit to be satisfied that information provided will not be further disseminated without the prior consent of the unit and, instead, would require the head of the unit to receive a guarantee that information would not be so disseminated. In theory, the amendment could give rise to a scenario where although the head of the national unit may receive a guarantee with which he or she for whatever reason is not satisfied, he or she would nevertheless be required to provide the data in question. In other words, the amendment may lead to there being less protection. Under the current wording, if the head of the national unit is not satisfied, for whatever reason, that prior consent will be sought for the further use of transmission of data, he or she will not be permitted to transmit the data. There are numerous similar examples on the Statute Book requiring the courts, judges, Ministers, officeholders, officials, etc. to be satisfied in respect of particular information. The important element is the frame of mind of the decision maker. It is that person who must be satisfied about the circumstances of a particular situation. There are several similar provisions on the Statute Book in so far as provision is made for the State to co-operate in the exchange of information with other states. I am afraid that in the circumstances I cannot accept the amendment.

Question, “That the words proposed to be deleted stand,” put and declared carried.

Amendment declared lost.

Section 9 agreed to.

SECTION 10

Senator Trevor Ó Clochartaigh: I move amendment No. 8:

In page 8, subsection (1), line 34, after “supplemented,” to insert “or deleted,”.

This amendment is to ensure clarification of the effect of the section in order that it would be clear legislatively that where the Europol information system had incorrect information, it would not only be the case that it could be supplemented but also could be deleted. This is particularly important where it is the case that there is information held by Europol, for example, on a prior suspect who has since turned out to be innocent. However, the former part refers to

his or her competency to take such action, whereas the subsection which refers to deletion is effectively concerned with the actions that can be taken on foot of this.

Deputy Alan Shatter: I am refusing the amendment as it is unnecessary. Section 10 already provides for the deletion of data in subsection (1)(a) and (b). This is a drafting matter. The amendment would be superfluous.

Amendment put and declared lost.

Section 10 agreed to.

Section 11 agreed to.

SECTION 12

Senator Trevor Ó Clochartaigh: I move amendment No. 9:

In page 9, subsection (1), line 29, after “crime” to insert the following:

“which shall be listed by the Minister by way of guidelines no later than 30 days after the enactment of this Bill”.

This amendment provides clarity on the designation of competent authorities and the context in which they are entitled to exchange information. We believe guidelines are needed to ensure best practice.

Deputy Alan Shatter: I cannot accept amendment No. 9. This amendment requires the crimes in which Europol is competent to be listed in guidelines prepared following the enactment of the Bill. I cannot for the life of me understand why the amendment is being proposed. Perhaps Senator Ó Clochartaigh will choose to withdraw the amendment because it makes no sense.

Under section 1, a criminal offence is defined as “an offence for which Europol has competence in accordance with Article 4 of the Council Decision”. I remind the House that under Article 4 of the decision, crimes which fall within Europol’s remit include organised crime, terrorism and other forms of serious crime affecting two or more member states. The other forms of serious crime are listed in the annexe to the Council decision. Europol is also competent for related offences as listed in Article 4(3). Given that the Council decision is scheduled to the Bill and lists the offences within the competence of Europol, and that a reference to such offences is contained in section 1, I do not see what value is added or purpose served by requiring the further publication of information already contained in the Bill.

Any person who wants to find out what offences fall within Europol’s competence could look to the Bill rather than separately published guidelines. Looking to the Bill is extraordinarily easy because page 60 contains an annexe which sets out the following offences: unlawful drug trafficking; illegal money laundering activities; crimes connected with nuclear radioactive substances; illegal immigrant smuggling; trafficking in human beings; motor vehicle crimes; murder and grievous bodily injury; illicit trade in human organs and tissues; kidnapping, illegal restraint and hostage taking; racism and xenophobia; organised robbery; illicit trafficking in cultural goods, including antiquities and works of art; swindling and fraud; racketeering and extortion; counterfeiting and product piracy; forgery of administrative documents and trafficking therein; forgery of money and means of payment; computer crime; corruption; illicit traf-

ficking in arms, ammunition and explosives; illegal trafficking in endangered animal species; illicit trafficking in endangered plant species and varieties; environmental crimes; and illicit trafficking in hormonal substances and other growth promoters. The annexe sets out additional provisions which give definitional clarity to some of these crimes.

I cannot for the life of me figure out the purpose of an amendment stating that guidelines should be published when the Bill is enacted to clarify the areas in which Europol is competent because the legislation already makes this clear. Given the manner in which the legislation implements our European obligations, it is important that it should set out in primary legislation Europol's areas of competence.

Senator Trevor Ó Clochartaigh: I thank the Minister for his comprehensive rehearsal of the annexe and the competences outlined therein. Although our amendment makes a suggestion about the designated competent authorities and the contexts in which they are entitled to exchange information, I take on board his comments and withdraw the amendment.

Amendment, by leave, withdrawn.

Section 12 agreed to.

SECTION 13

Senator Trevor Ó Clochartaigh: I move amendment No. 10:

In page 10, subsection (3), line 11, to delete “30 days” and substitute “14 days”.

This amendment seeks to shorten the time within which national authorities would be required to forward a request from an individual as to whether Europol is handling information relating to him or her. We believe the process needs not only to be made more effective but also to be conscious of the rights of the individual in these circumstances. For this reason, we think a period of 30 days is too long.

Deputy Alan Shatter: I am sure it will come as a great shock to the Senator when I say that I cannot accept the amendment. He is seeking to require the national unit to forward requests for personal data to Europol within 14 days instead of 30 days.

I appreciate the argument for reducing the timeframe for the forwarding to Europol of requests for personal data. However, the timeframe of one month is set out in the Council decision under Article 32. The national unit should work within the same timeframes as the authorities in other states. It is important our provisions for the implementation of our obligations reflect those in operation in other states.

Question, “That the word and figure proposed to be deleted stand”, put and declared carried.

Amendment declared lost.

Section 13 agreed to.

Sections 14 to 21, inclusive, agreed to.

Schedule agreed to.

Title agreed to.

Bill reported without amendment and received for final consideration.

Question proposed: "That the Bill do now pass."

Minister for Justice and Equality (Deputy Alan Shatter): I thank the Members of the Seanad for their consideration of the Bill and for the support given to it and its principles. This is a very important Bill and its importance should not be diminished. It was useful to read out the annexe to the Bill, which lists the multiplicity of serious crimes in respect of which Europol can play a role in the mutual exchange of information and in the context of other functions that arise. It is of great importance at a time when criminals do not recognise national boundaries and when organised crime seeks to exploit a variety of options for making substantial money for itself, to the detriment of others and causing misery in the lives of many people.

The Bill deals with serious crimes, from murder to human trafficking, kidnapping and a range of other crimes and it is of the greatest importance there is the maximum co-operation between member states of the European Union in addressing these issues, and in particular between the police forces in the member states. It is through the exchange of information and the possibility, on occasion, of engaging in joint policing in the area of cross-border crime, where expertise in different states can come together, that we can, as a State, properly respond to the transnational nature of organised crime and those engaged in it.

I thank Senators for the speedy passage of this measure which will come into force and will further enhance levels of co-operation and our capacity to operate at European level through Europol.

Senator Denis O'Donovan: I would like to indicate my support for this Bill. On behalf of the Minister, the Government and the State, if this Bill can improve our relations with other international policing agencies, particularly in an ever bigger Europe of 27 countries and more, it is a positive step. It is essential that we keep the pressure up. We will probably never have the utopian situation that allows us to eliminate crime but this legislation will at least tighten the noose on some of these criminal gangs and put pressure on them. That is what we must continue to do because not alone are they a threat internationally, they are also a threat to our society. They have an impact on every walk of life, whether it is in the Dublin metropolis, rural parts of west Cork or the west of Ireland. This legislation is welcome and I hope it will have a positive outcome in terms of trying to stymie the ever-evolving and ever-more-sophisticated criminals we are dealing with at the current time.

Senator Trevor Ó Clochartaigh: Ba mhaith liom buíochas a ghabháil leis an Aire as ucht na reachtaíochta seo a thabhairt os comhair an tSeanaid. I bprionsabail, tá Sinn Féin i bhfábhair an Bhille seo agus tugaimid tacaíocht dó. I thank the Minister for introducing the Bill. In general, Sinn Féin is in favour of the Bill because, as the Minister said, crime knows no frontiers, be it a county boundary, a state boundary, a continental boundary-----

Senator Paul Bradford: A border.

Senator Trevor Ó Clochartaigh: -----or any border whatsoever. It is important, and we support any co-operation that seeks to ensure that anybody perpetrating a crime, whether that be within or outside the State, is brought to justice and all of the parties involved are given due process.

The issues we raised were with regard to data protection and the civil liberties of each of the people involved in the situation. We have to remain cognisant, if we are dealing with police forces from any other jurisdiction, that the rights of each of the individuals involved in the case must be taken into consideration. This was the reason we introduced our amendments. We are glad to have had the opportunity to debate the Bill and we are glad to add our support to it.

Senator Paul Bradford: I thank the Minister and his officials for being present to conclude the legislation. Committee Stage was very brief in the Seanad, notwithstanding the efforts of Senator Ó Clochartaigh, but I believe the matter has been fully aired in the other House and here on Second Stage. I agree with what has been said by previous speakers. Europe is a political concept that drifts in and out of popularity from time to time, generally for economic reasons. Here, we again see one of the positives of the politics of Europe, where countries and governments come together in the interests of the citizens of Europe. That level of co-operation is to be welcomed, as is the legislation. I thank the Minister for dealing with it in his usual competent fashion.

Question put and agreed to.

Sitting suspended at 2.50 p.m. and resumed at 3.10 p.m.

Social Welfare Bill 2012: Second Stage

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

Minister for Social Protection (Deputy Joan Burton): The main purpose of this Bill is to give effect to some of the measures announced in the budget on 5 December. In the budget, my Department’s two priorities were to ensure those in most need of assistance would be protected and that we do as much as we can to help people to get ready to return to work.

Since I became Minister for Social Protection, I have been very conscious of how crucial welfare expenditure has been in protecting the very vulnerable and minimising poverty during a time of enormous economic crisis. The remarkable poverty-reduction impact of welfare has greatly underpinned social cohesion. This is in contrast with other countries affected by the economic crisis where the consequences of increased poverty are sometimes played out violently on the streets. Social cohesion is a reason certain investors in sovereign bonds have backed the Irish economic recovery. As a consequence of social transfers in Ireland, the at-risk-of-poverty rate has been reduced by 31%. This is one of the highest reductions among all EU member states.

Welfare ought to be both a safety net and a springboard to a better future. That is why I am attempting to transform the Department of Social Protection through our Pathways to Work plan from being a mere provider of income support to an effective and engaged public employment service that assists people on the live register or otherwise far from the labour market to start their progression back to work, training or a job placement. We will be providing 10,000 new places on employment schemes next year and opening many new Intreo offices.

We will be providing more than 6,000 additional child care places for people transferring from welfare to work, with particular emphasis on after-school care. Senators will recall our

discussions this time last year, particularly on lone parents, in which we stated we wanted more opportunities for people in education, training, community employment, etc. We stated we wanted to improve child care provision and discussed specifically the question of after-school care. I am very pleased we are making a breakthrough in regard to this provision this year.

In moving from a passive to an active social welfare system, we are transforming a system that has been mismanaged and neglected over many years by Fianna Fáil Governments. Recent ESRI research on jobless households highlighted the utter failure of previous Governments to introduce any meaningful reforms to the social welfare system to encourage work specifically. Jobless households are homes where unemployment, illness, disability or age mean that adults spend less than one fifth of the available time in employment. The ESRI examined working-age adults and their dependent children and found that the percentage of jobless households grew from 16% in 2007 to 22% in 2010. As such, in 2010, more than one in five people was living in a household without a working adult. For children, the findings are even more damning and alarming. In 2010, nearly a quarter of children were growing up in jobless households.

In 2010 nearly one quarter of children were growing up in jobless households and the most damning finding of all is the astonishing fact that between 2004 and 2007, at the height of the boom, the share of households defined as jobless recorded a double-digit increase to reach 15% of the total. The average across the eurozone in 2007 was just below 10%. It is important to recall, and people will remember this, that the then Taoiseach, Bertie Ahern, and the then Minister and Tánaiste, Mary Harney, travelled to jobs fairs around the world inviting people to come to Ireland. The problem was they did not travel down to the local social welfare office to invite people on the live register to get back to work in Ireland. That is part of our difficulty having built up this extraordinary level, by all European standards, of a 22% jobless household rate. Allied to that is a figure that no other European country has, namely, 16% of our working age adult population are either on some kind of illness benefit, disability benefit or invalidity pension. No other country in Europe has statistics like that, again raising the most profound questions about the way our social welfare system works to help people who unfortunately have become unemployed back to work.

During the 2004-07 economic boom Ireland was one of the few countries in the EU to experience an increase in the proportion of jobless households. This occurred despite Ireland recording the highest rate of employment growth in the EU over the previous decade. At the same time the tendency of jobless households to be in poverty was reduced due to the very significant increases in welfare rates. The official data shows that in 2010, the last year for which figures are yet available, social transfers reduced income poverty by 60%, from 40% to 16%, as the full effects of the crisis were unleashed. Furthermore, if pensions are included the impact on poverty reduction rose to 68%. In simple terms, while the welfare system in other EU countries had a modest impact in reducing poverty, the Irish system's positive contribution to poverty reduction is an outlier.

The reality is entirely at variance with the opinions expressed by some other well-informed commentators. However, while the social welfare system has proven highly effective at preserving a threshold of decency for those most in need of support, it has largely failed to date in helping them into work or training to improve their prospects for the future. Instead of introducing the kind of reforms that were brought into other European countries to change from a passive to an active social welfare state, including job search assistance, education, training and skill development and services like child care, the former Government had little ambition for the unemployed and its only solution in many cases was to write a cheque. The fact is that until

very recently the State was prepared to tolerate a large minority of our citizens being consigned to a life on the margins and inter-generational disadvantage underwritten by welfare payments.

This Government is challenging the way things have been done in social welfare in this State. We have greater ambition for those citizens who are unfortunate enough to be unemployed. From everything I know about the reforms we have undertaken in the past year people are delighted to be offered an opportunity, whether interning through JobBridge or participating in helping their own community in a local community employment or Tús scheme. People are so anxious to have an opportunity to contribute and, ultimately, to make themselves and their families financially self-independent.

We view each and every individual person on the live register or otherwise distant from the labour market as an untapped resource and a future employee who will participate in the rebuilding of this country and its economic recovery. We view it as the mission and patriotic duty of everybody who works for the State to work together to transform the system for people who are in jobless households, locked out of working and simply find it impossible to get back into the stream of work, education and training to become financially independent. That ambition is the reason we are moving from a passive to an active social welfare state. The Government is asking the hard questions about our system of social welfare. Other countries have moved on. For example, the Dutch went from being called “the sick men of Europe” to the Dutch miracle by questioning the basic assumptions underpinning their social welfare system. Until the Government took office, we have never had that debate or made the fundamental decision to transform the social welfare system. By not doing so, successive Governments essentially collaborated in the destruction of human potential and the locking in of generations of disadvantaged and wasted lives. The Government will not tolerate that situation any longer. We will work every day to transform the social welfare system, not as an end in itself but because doing so will transform the lives of those living and growing up in jobless households. It should not simply be seen as social welfare expenditure but as an investment in the people and communities and their capacity to be offered opportunities in a positive way by the State. In that regard, there will be no cuts to the core weekly payment rates and we will provide 10,000 new places in employment schemes next year and open many new Intreo offices to get people back on a pathway to education, training, work experience and employment.

The Bill defers the date on which age reductions in respect of the one-parent family payment are to apply from the beginning of January 2013 and 2014 to the beginning of July in each of these years. It will also extend the period over which the transitional arrangements for the continued payment of one-parent family payment are to apply from the end of December 2014 to the beginning of July 2015. This is to provide more time for the creation of the additional child care places to which I have referred, as I promised last year in response to contributions to the debate on last year’s Social Welfare Bill in this House and elsewhere. We had much expert commentary from Senators on all sides who acknowledged the importance of giving people who were parenting on their own an opportunity in life. The pieces are now in place.

Social welfare offices are being transformed not simply into payment offices but offices that help people in seeking education and training and finding work. We have extra child care places, particularly after school care places which will be available in the next six months in conjunction with the Department of Children and Youth Affairs. We also have an additional 10,000 places in the community employment, JobBridge and Tús schemes, as well as in a new scheme specifically for local authorities called the local authority social employment scheme. I wish the private sector was able to provide more jobs, but clearly there is a time lag between

economic recovery and the private sector being in a position to provide more employment opportunities.

These are positive achievements. I recognise, however, that the budget also contains measures that give rise to concern. I avail of the opportunity afforded by the debate in this House to outline the reason the Government have taken these measures and to reflect on how we can best best with the very difficult situation in which the State finds itself. None of us wants to cut social welfare payments for its own sake. However, securing the long-term viability of the social protection system is a vital goal that services the interests of a society as a whole, not only those who directly benefit from social welfare payments. How can we best secure the long-term viability of the social protection system? One aspect that we must recognise is that the amount we can spend is limited by the amount available to us. We cannot bury our heads in the sand about this. As Members are aware, the State has been spending far in excess of its revenue for several years and cannot continue to do so indefinitely. I note all the parties in this House in their pre-budget submissions actually accepted the requirements to reduce expenditure and make savings.

Much progress has been made in reducing the general government deficit with most of the fiscal consolidation required to deal with that problem implemented. However, in 2012 the deficit will still be over €13 billion, equivalent to more than 8% of gross domestic product, GDP. The deficit has to be reduced further if we are to retain any say over our affairs and, ultimately, regain our capacity to determine our own economic and social development. In that regard, the Government is committed to reducing the deficit to 7.5% of GDP in 2013, 5% of GDP in 2014, before reducing the deficit below 3% in 2015, so that we stabilise and then reduce the stock of debt. This budget is a vital part of this.

Discussions are continuing on the promissory notes and other aspects of the banking debts imposed on the State. I am confident a positive outcome will be achieved that will contribute to achieving these aims and reduce the burden on the taxpayer. While almost 30% of gross government debt relates directly to support to the banking sector, no matter what outcome the Government achieves in this area, even it were to achieve the entire elimination of all banking debt and the associated interest payments, there would still be a current deficit. Accordingly, it would still be necessary to reduce that deficit. This is the context within which the Government has had to structure the 2013 budget. Tax and other revenues had to be increased while, at the same time, expenditure had to be reduced.

I hear fairy stories from those who have met the troika claiming it says we can reduce expenditure any way we fancy. That is not the way the troika operates. Anyone who has dealt with the IMF in any country will know it is made up of a balance in both tax increases and expenditure reduction. Perhaps we should all go to meet the troika together.

Senator Darragh O'Brien: I would love to go with the Minister the next time.

Senator David Cullinane: With the full agreement of the House.

Acting Chairman (Senator Imelda Henry): The Minister without interruption.

Deputy Joan Burton: We will see what happens in the North.

Senator David Cullinane: Here we go.

Senator Darragh O'Brien: The Minister should stop raising this comparison. It is not relevant.

Deputy Joan Burton: The UK Government has put forward a programme package for Northern Ireland which is infinitely more difficult.

Senator David Cullinane: We are opposing what the UK Government is proposing.

Deputy Joan Burton: It is infinitely more difficult-----

Senator David Cullinane: We are opposing the UK Government's proposals.

Senator Cáit Keane: Senator Cullinane does not want to hear the truth.

(Interruptions).

Acting Chairman (Senator Imelda Henry): Order, please.

Senator Darragh O'Brien: I wish to raise a point of order.

(Interruptions).

Acting Chairman (Senator Imelda Henry): Order, please. A point of order has been raised.

Senator Darragh O'Brien: Would it not be more appropriate for the Minister to stick to the terms of the Bill which she is introducing?

(Interruptions).

Acting Chairman (Senator Imelda Henry): That is not a point of order. The Minister to continue without interruption.

Deputy Joan Burton: I do not want to cut child benefit, the respite care grant or the duration of jobseeker's benefit. I know each such measure impacts negatively on those with genuine needs. The vital goal of ensuring the long-term viability of the social protection system cannot be achieved without scaling back on some of the supports that have been provided heretofore. In last year's budget the Government announced that a further reduction of €540 million in expenditure by the Department of Social Protection would be implemented in 2013. When the previous Government left office, the national programme for recovery projected approximately €800 million in cuts for this year. On coming into office, this Government reduced this projection to €540 million and I am happy to tell Senators that after a long process of negotiation I have further reduced the figure to €390 million, which is a considerable reduction from the original targets.

Senator David Norris: The Minister deserves our congratulations on that.

Deputy Joan Burton: A large number of social welfare recipients will find their incomes entirely unaffected by the budget because their payments have been preserved for the second year running. Weekly payments have not been cut across the board. The previous Government cut all main payments by a cumulative €16.50 per week. If a household included somebody on carer's benefit and someone else on disability benefits, the cumulative cut was €33 per week. It is essential that people can continue to rely on their basic weekly payments in order to have a

sense of security about their incomes. Weekly payments will be maintained for pensioners and all those under the age of 66, such as people on disability allowance and jobseeker's allowance, with the result that expenditure on social protection will once again be more than €20 billion in 2013. This demonstrates the high priority the Government continues to give to social protection during these difficult times. Social protection expenditure will account for approximately 37% of all Government expenditure.

I understand the concerns of those affected by the measures contained in the Bill, particularly in respect of cuts to child benefit and respite care grants. I will deal with each of these payments in turn.

Child benefit is a universal payment to mothers at all income levels. I am determined that any future reform of child benefit will preserve the principle of universality. It is worth bearing this in mind given that from next January the United Kingdom intends to reduce or discontinue child benefit payments to households in which at least one person earns more than €62,000. This change will cost families with three children and at least one parent earning more than €74,000 approximately €3,000 per annum, which is the equivalent of a pay cut of €5,000. I intend to publish the report on family and child income supports by the advisory group on tax and social welfare reform in the new year. I will then bring it to the Joint Committee on Education and Social Protection for a full and informed public debate on the options available for the future structure of child benefit, with specific regard to taxing, means testing and other structural reforms such as supplementary child benefit payments. I would be happy to discuss the report in this House if I am invited to do so.

Senator Marie Moloney: The Minister is invited.

Deputy Joan Burton: In the meantime, despite the budget reductions, our child benefit rates remain high by international comparisons. We are still above the rate that prevails in the United Kingdom and the North, where the payment for the first child is €110 per month and the rate for second and subsequent children decreases to approximately €72 per month.

The respite care grant will decrease from €1,700 to €1,375 per annum. This means the rate will still be higher than the €1,200 per annum which applied in 2006, when the construction bubble was at its peak. I am conscious that this represents a cut for carers. However, to allow us to protect the core weekly payments that people receive, such as pensions, disability and carer's allowance, we have had to look very carefully at other additional payments, such as the respite care grant. Carers receive significant income supports, among the highest rate of income support in Europe. Carers who live with the person for whom they care also receive additional support in the form of free travel and household benefits and the annual respite care grant in respect of each person for whom they care. If a person gets certain qualifying social welfare payments and also provides full-time care and attention to another person, that person can keep the main social welfare payment and get the half-rate carer's allowance as well. That carer can also receive an extra half-rate carer's allowance if he or she cares for more than one person. Organisations representing carers made very strong representations to me at the pre-budget forum and elsewhere in regard to keeping those weekly payments intact.

The income disregard and means test for carers is the most liberal within our social welfare system. A couple under 66 with two children, earning a joint annual income of up to €35,400, can qualify for maximum payment of carer's allowance, while such a couple earning up to €59,300 will still qualify for the minimum rate. This year we will spend €771 million on pay-

ments to carers, an increase of almost €20 million over expenditure in 2011. Even after the cut in the respite care grant, expenditure in 2013 will be higher again, at €775 million. I expect the outgoing will be even higher, because of the enormous increase in the number of people applying for both the carer's allowance and the half-rate carer's allowance.

The value of the respite care grant has almost tripled in the past ten years, from €635 in 2002 to €1,700 in 2012. While it is being cut next year, a grant of €1,375 is still a substantial sum. The work of carers is recognised and valued by the Government as well as by those who receive that care. The great work that carers do, often 24 hours a day, all year around, is testament to the deep level of commitment and love that carers have, which allows people to be cared for in their own homes. The cutting of the respite care grant while the weekly carer's and domiciliary care allowance payment rates are maintained is not being done to devalue the work that carers do. The fact that the Department will spend an increased amount in 2013, €775 million, to support carers and caring shows the status that is given to the work that carers do.

Since coming to office, tackling fraud and improving control have been priorities for me. I am now introducing measures to enable the Department to recover overpayments quicker than previously. Currently, repayments are frequently made at a level of €2 per week, which means that some overpayments take years to repay, if indeed they are ever repaid. As well as providing savings, this measure will send a strong message that there is an obligation to return money owing to the Exchequer. There is an obligation on the citizen as well as the Department to ensure that only entitlements due are received and what is not due is returned for the benefit of others.

The Bill provides that up to 15% of the individual personal rate can be withheld to repay an overpayment. I am conscious that some overpayments arise because of departmental error. While all overpayments must be repaid, including those that arise because of the departmental error, it is not my intention that people will face hardship as a result of these new arrangements. The circumstances of each case will be considered before the repayment amount is determined. It is galling for people who are receiving their legitimate social welfare entitlements and no more to find that in the case of somebody living in the same area who has perhaps been involved in abuse of the social welfare system and owes money to the Department, it can only be recovered at a rate of €2 per week. This measure will allow the rate of recovery to be at a figure up to €26 per week in regard to the main individual payment of the person responsible. It does not affect their dependants' or their children's payments.

The household budgeting facility, whereby a person can opt to have a specified amount of his or her social welfare payment deducted by An Post and paid to certain utilities and local authorities, will be extended by introducing new provisions specific to the payment of rent to a housing body. Tenants in local authority accommodation who are in receipt of a social welfare payment may opt to have a portion of their social welfare payment paid to a local authority against their rent. Local authorities will require tenants in local authority accommodation who are in receipt of social welfare payments to sign up to the household budgeting facility before being offered accommodation. Tenants will require the consent of the housing body before being allowed to withdraw from the arrangement and such consent shall not be unreasonably withheld.

I will now turn to the main headings in the Bill. Part 1 contains preliminary and general provisions in two sections. Section 1 contains the Short Title, while section 2 provides for the definition of common terms used throughout the Bill.

Part 2 contains amendments to the Social Welfare Acts. Sections 3, 4 and 9 provide for a number of amendments to the contributory pension schemes arising from the budget 2012 decision to provide for a new structure in respect of the reduced rates of State pension - contributory - and State pension - transition. Section 3 amends the definitions of “yearly average” and “alternative yearly average” for the purposes of rounding up or down. Section 9 amends the provisions relating to the payment of reduced rates of State pension - transition - so as to enable the increases payable in respect of a qualified adult, as well as the personal rates, to be paid at reduced rates where a person has a reduced yearly average. This change will apply to people who reach 65 years of age on or after 1 January 2013. The section also provides that existing claimants will not be affected.

Section 5 reduces the amount of the annual respite care grant by €325 from €1,700 to €1,375. Section 6 provides for the abolition of the weekly PRSI-free allowance of €127 with effect from 1 January 2013. Section 7 increases the rate of assessment of self-employment income from farming and fishing from 85% to 100% in the case of the farm assist, jobseeker’s allowance, pre-retirement allowance and disability allowance schemes. In addition, it provides for the abolition of the annual child-related income disregards in respect of qualified children. Effectively, it puts people living in rural areas on the same footing and the same level of assessment as people living in urban areas.

Section 8 reduces the monthly rate of child benefit by €10 per child in respect of the first, second and third child. From January 2013, the monthly rate for each of the first three children will be €130. The section also provides for a reduction in the monthly rate of child benefit by €10 per child, to €130, in respect of the fourth and each subsequent child from January 2014.

Section 10 provides for an increase in the minimum rates of the pay related social insurance, PRSI, contribution payable by self employed contributors with effect from 1 January 2013. Self employed contributors with reckonable income over €5,000 generally pay class S PRSI contributions at a rate of 4%, subject to a minimum payment. The current minimum payment is €253. This is being increased to €500 with effect from 1 January 2013. Section 11 provides for an increase in the rates of voluntary contributions payable by former self employed persons and former employed contributors in line with the increase in the minimum self employment contribution from €253 to €500.

Section 12 reduces the duration of jobseeker’s benefit entitlement from 12 to 9 months in the case of people who have paid at least 260 PRSI contributions and from 9 to 6 months in the case of people who have paid less than 260 contributions with effect from 3 April 2013. This change will apply to new claimants and to certain existing recipients. However, a person who has paid 260 PRSI contributions and has been in receipt of jobseeker’s benefit for at least six months on 3 April 2013 will continue to be entitled to that benefit for a maximum duration of 12 months. A person who has paid less than 260 PRSI contributions and has been in receipt of jobseeker’s benefit for at least three months on 3 April 2013 will continue to be entitled to that benefit for a maximum duration of nine months.

Section 13 makes changes in the recovery of social welfare overpayments by way of weekly deductions from a person’s ongoing social welfare entitlements. A deduction of an amount of up to 15% of the liable person’s relevant personal individual weekly rate of social welfare payment is allowed for the purpose of recovering an overpayment. A person will not be entitled to compensate for any overpayment deduction from their primary social welfare payment by seeking an additional payment of supplementary welfare allowance. Increases payable in respect of

a dependent adult or child or children are not affected.

Section 14 provides for the postponement of the implementation dates of changes in respect of the one parent family payment. The dates on which the age reductions from 12 to 7 years for entitlement purposes to apply from the beginning of January 2013 and 2014 are being extended to the beginning of July in each of those years. The period during which the transitional arrangements are to apply are also being extended from end December 2014 to the beginning of July 2015.

Section 15 provides for the extension of the household budgeting scheme for local authority rents by the introduction of new provisions specific to the payment of rents to a housing body.

Sections 16 and 17 provide for amendments to entitlement to jobseeker's benefit and jobseeker's allowance in respect of Sunday working. Sundays will now be taken into account for the purposes of determining entitlement to jobseeker's benefit and jobseeker's allowance.

Part 3 of the Bill contains amendments to redundancy payment schemes set out in the Redundancy Payments Act 1967. Section 18 amends the Redundancy Payments Act 1967 by abolishing the rebates paid to employers in respect of statutory redundancy lump sums paid to their employees. This will apply in the case of statutory redundancy lump sum payments made to employees who are made redundant on or after 1 January 2013. Rebates will be available to employers on or after 1 January 2013 in respect of statutory redundancy lump sum payments made to employees who were made redundant before 1 January 2012, at a rate of 60% and on or after 1 January 2012 but before 1 January 2013, at a rate of 15%.

That completes the main provisions of the Bill. Some of the savings achieved by these measures are being redirected to provide additional spending in the key area of job and child care supports. An additional €14 million will be allocated for after-school child care places, targeted at primary school children. The places are aimed at low-income families where the parents are availing of an employment opportunity. This initiative is part of the Government's overall strategy to support parents in low-income families to take up employment. It formed a great part of our discussions in the Seanad last year.

An additional €2 million will be allocated to expand the school meals programme which aims to provide food to children, in particular hot breakfasts, which are available in a number of schools and assist children enormously. A sum of €2.5 million will be allocated to a new area-based approach to child poverty initiative. This will be handled in detail by the Department of Children and Youth Affairs, under the Minister, Deputy Frances Fitzgerald. It is about getting all the different services relating to children to join together to offer an integrated service. We have had this approach before, in particular with the Young Ballymun initiative, and also in Tallaght and Darndale. Instead of having perhaps 14 agencies interacting with certain families and children, there will be a unified approach to the provision of supports for children in families which require them.

I am using some €11 million of the savings from the jobseeker's measure to make a major expansion of our employment and internship programmes. An additional 2,500 places for Job-Bridge internships are being provided in 2013, and an additional 2,500 places are being made available for Tús in 2013. The community employment scheme is to benefit from an additional 2,000 places in 2013. I recall the fears of some of the Members of the House last year who suggested that community employment was under threat of disappearance. I am glad to say that

following the review we are expanding community employment. Many CE schemes also avail of Tús schemes. On the ground, therefore, this will be a significant and important support to communities, not only in rural areas where we have many such schemes but also in many urban areas. The additional places on employment and internship schemes complement the child care measures I referred to earlier. Overall, therefore, expenditure on working age employment supports has been increased, from €95 million last year to €1.5 billion in 2013.

Since I became Minister for Social Protection, I have become very conscious of how crucial welfare expenditure has been in protecting people who are vulnerable and how it minimises poverty during the economic crisis. I am also conscious of how much a stimulus it is to the economy in many different parts of the country, particularly in more rural counties where, together with State employment, social welfare transfers and payments are the mainstay of the income going to retail businesses. For that reason, I have been happy to be able to protect the core weekly social welfare payments. However, the finances of the country do not permit us not to reform social welfare. We have to bring our expenditures and revenues broadly into balance over a period of time. As we do that we can see - as we have already seen this year - that we can return to markets on a phased basis. I recall, as Senators may, too, that this time last year the topic of discussion at Christmas time was whether one should keep one's money in Irish banks. Do Senators remember people talking in that vein? Some were talking about putting their money into Switzerland or bringing it over to the United States or to the United Kingdom. That was one of the topics of conversation at the time. Given all the reform that has taken place we have now come away from that danger. At this time last year State companies were not in a position to borrow as a result of the sovereign debt risk but recently they have been able to return to the markets in a limited way.

While these advances are limited in nature, they are extremely important in ensuring that the State will return to a position of financial stability. Senators will be aware that in November, for the first time since 2005, there was a small increase in employment. This increase was only in the region of 3,500 but it is vital nonetheless. Senators will also be aware that figures released earlier today show an actual, if fractional, increase in domestic demand. Again, this is a welcome development and it is reflected in some of what has occurred in the retail area in recent times. It is to be hoped that the latter will be maintained as time passes.

I commend the Social Welfare Bill to the House. As already stated, I regret that it has been necessary to provide for savings in respect of expenditure in certain areas. I am, however, happy to commend to the House the significant increase in the number of places being made available in order to facilitate people in returning to employment and becoming financially independent again.

Senator Darragh O'Brien: I thank the Minister for coming before the House to introduce the Social Welfare Bill. As was the case last year, I wish to begin by stating that - like every one of her predecessors in the Department of Social Protection - she has a difficult job. My colleagues and I fully acknowledge that fact.

I am quite disappointed by some of what the Minister said. I do not believe that carers, families or others are too interested in a history lesson. I will not become involved in-----

A Senator: The Minister provided a history of the financial crisis.

Senator Darragh O'Brien: The Minister indicated that she has received a vast number

of representations from carers' organisations, disability groups, families and charities such as Barnardos. In that context, we are living in the here and now. I do not want to waste the eight minutes available to me. However, I wish to state that I will stand over the introduction of the respite care grant by Fianna Fáil in 1999. I will also stand over the fact that the amount payable under this grant should remain at €1,700. I will not stand over the fact that the Minister believes it is appropriate to cut the grant by 20%. Furthermore, I will stand over the fact that I am a member of a party which, when in government, increased child benefit from €53 for the first child to €166 in 2010.

Senator Fidelma Healy Eames: And what happened then?

Senator Darragh O'Brien: The Senator should just stop and listen for a moment. The matters to which I refer are ones over which I will stand. It must be stated, however, that people outside the House and I are concerned about what the Minister is doing now.

There is one positive I will take from what the Minister said, namely, that she is going to bring forward the expert report relating to how we can manage child benefit into the future. I welcome her announcement in respect of this matter and I will certainly take part in the discussion on it. This is an important issue about which I have been critical in the past and in respect of which I will continue to be critical. A brutal, across-the-board cut in respect of all families is simply not the way forward.

I wish to indicate that we will be opposing each section of the Bill on Committee Stage and Report Stage. We have also tabled amendments to the Bill. We will have the opportunity to discuss the specifics in that context. I will, however, take the opportunity to refer now to a couple of changes that are proposed. The Minister correctly referred to the increase in the rate of unemployment. What astonishes me is her almost xenophobic view on how previous Governments acted in the context of touring Europe and the rest of the world in order to encourage people to come here to work. Was there a problem with what they did in that regard?

Deputy Joan Burton: Those Governments should have toured local social welfare offices in the first instance.

Senator Darragh O'Brien: I did not interrupt the Minister and she will have the opportunity to respond. I was very surprised by her comments in this regard.

I will not refer to the promises the Minister and her colleagues made either during the general election campaign or in the programme for Government. I will merely ask her one question. If a member of a party other than hers had introduced a Social Welfare Bill such as this two years ago, what would the Minister have said about it?

4 o'clock

Would she have welcomed the taking of 20% off the respite care grant? Would she have said that is turning a passive system into an active one? I do not believe she would have. I acknowledge the Minister's job is tough and that in this respect she will not make everyone happy. The Seanad has a role to play, particularly today and this week. If the Seanad is to be the Chamber it is supposed to be, it should be one where we can properly review legislation and if we believe there are areas of the legislation that the Dáil has got wrong, and I firmly believe there are at least two such areas, Senators should not be afraid to vote down this Bill and send it back to the Dáil. Senators should not walk people up to the top of the hill and pronounce, with

disgust and disappointment, on measures the Government is taking and not follow through on those actions, but that will be a discussion for tomorrow and Thursday. From our perspective, we will be opposing every single part of the Bill. We put forward clear alternatives and there are difficult decisions to be made.

I want to ask the Minister about the 75,000 families who receive the respite care grant. She mentioned core weekly payments being protected. They are protected if the Minister has defined what is a core payment but she has not defined that pre-budget or up to now what it is. A core payment for a family in Dublin or elsewhere in this country, whose members are doing their best to survive, is their monthly child benefit rate. Since Deputy Burton took over as Minister for Social Protection a family with three children is €684 worse off than when she took office.

Senator John Gilroy: Why?

Senator Darragh O'Brien: That is a core payment in my view but the Minister does not believe it is. A respite care grant is a core payment, particularly for the 5,000 families who receive the respite care grant and get no further assistance from the State.

If we are to talk about finance, the economy and the banks, about which the Minister spoke at length in her contribution, I would point out that she did not mention the financial contribution carers make to this State. They provide 990,000 hours of care per week. If the HSE was to provide that care, it would cost approximately €4 billion a year, yet €325 is being taken from people who need this money. I do not understand why this is being done. If we are to talk on the premise of fairness, equality and protecting the most vulnerable, this is not the way to do it. I think we would all believe that the child benefit system should be reformed. Those who do not need it should not get it.

The Minister did not mention in her speech that there are inventive ways to do things. She did not mention the introduction of the free preschool year, which is another initiative I would stand over every single day of the week. Every child on reaching the age of three years and three months is entitled to a proper preschool Montessori year before beginning national school. Why was there no inventiveness in the budget? Rather than that all recipients' of child benefit payment will be reduced to €130 a month. The current Minister, Deputy Michael Noonan, when in opposition, famously asked the then Minister, Deputy Lenihan, God rest him, a few years ago what he had got against the third child. That got a great laugh from those on the Minister's benches at the time, and rightly so because it was a good quip. To be serious about this matter, we need to consider the current situation. Unemployment has never been higher, there is a mortgage crisis and nearly one in four mortgage holders across the board in middle Ireland are in arrears. We will deal with the property tax later in the week but how can the Minister say to a family on an income of €30,000 or €40,000 a year that cutting child benefit in this way is fair? It is not fair and the Minister knows that. How can she say to the 75,000 families who receive the respite care grant that taking 20% of that annual payment from them is fair? It is not fair. All I ask is that we have a reasoned debate here during the next three days and that Senators examine the amendments tabled, stand up for the people who really need these payments and make sure this Seanad continues and uses this opportunity to show it will stand up to the Dáil and say it got it wrong and that it must look at this legislation again. That is all the passing of an amendment means.

I thank the Minister for coming in here today. I look forward to debating the specific

amendment tomorrow.

Senator Fidelma Healy Eames: I welcome the Minister. This is an important debate as it affords us an opportunity to re-examine the purpose of social welfare and the budgetary process. Clearly, the Minister's Department is the most important in terms of expenditure. It has a budget of €21 billion, almost 40% of total Government expenditure.

Some aspects of the budget have been very controversial. I will deal with them but will first address the overall picture. This is an important day on which to hear an overview of what social welfare is about. It should be a bridge from unemployment to work and from education to work. It should not be about creating a welfare lifestyle, which concept has been bandied about considerably. We are reaching the point at which we need an information campaign in the media about the purpose of social welfare. Everybody understood the idea of Saorview but I am not so sure they understand the principle behind social welfare.

Given the size of the budget, social welfare should be about fairness. We are all trying to achieve this. It is a question of giving people a hand up and of poverty-proofing. It is about payments that are earned in the form of pensions or received by virtue of genuine circumstances. I include the carer's grant and child benefit.

Our approach must include the cutting out of fraud. Fraud hurts everyone, including the worker paying the taxes. It creates great hostility and hurts the genuinely needy. These are some of the issues on which I want to touch in my contribution.

I wish to refer to the activation measures in the budget and the important bridge from unemployment or education to employment. I compliment the Minister on the 10,000 additional places this year and particularly on her innovative local authority social employment scheme. When I examined the figures, I noted the Department is spending €1 billion on activation measures. Given that our mission is to get people back to work, this is not enough. We should be spending more in this area. As the Minister stated, doing so would constitute a social welfare investment in people's futures, particularly the futures of those who are jobless.

The most recent ESRI report, to which the Minister referred, shows that 22% of the population are in jobless families, which is twice the European average. This is a damning figure. Joblessness is not good for families. This is particularly the case for children, who need to see purposeful activity and their parents going to work.

When I am on the doorsteps, I am frequently asked why the welfare system does not require people to be more active. I recall Fr. Sean Healy making a proposal over a year ago that people should work for their welfare at a rate that one's job would command if one were employed. There is considerable dignity and purpose associated with such a practice. One would be out and about and more likely to network and pick up work.

There is a Twitter feed called @EireJobs, available at twitter.com/eirejobs, on which approximately 200 jobs per week are advertised. Has analysis been done to demonstrate that the jobs that are becoming available now require the skills of those who are claiming unemployment benefit at present? Is there a skills match or mismatch?

A Nobel laureate, Professor Christopher Pissarides, spoke in the House recently about the importance of retraining and education. It is on this subject that I applaud the Minister regarding child care places. Obviously, young women and young mothers cannot go back to work

unless there are child care places. Professor Pissarides spoke strongly about the need to ensure the unemployed are ready to return to work and that there is retraining. He also spoke about the need for young people to be flexible and try many jobs until they find the one that suits them. The education system should be preparing them for this. There needs to be a tie-in with the education system in this regard.

Professor Pissarides spoke about how policies should not restrict labour turnover. He highly recommended job subsidies, stating that job subsidies that offer work experience are better than unconditional unemployment compensation. Rather than giving jobseeker's allowance, it is better to invest the money in initiatives such as Tús, JobBridge, internships and employment schemes. Sweden, for example, has a very successful scheme that subsidises the hiring of unemployed workers to replace those on maternity leave and other types of leave. The authorities can pass on the unemployment compensation to the employer who then pays an extra portion that is higher than the compensation. Everyone wins in that case. The employer and the employee are paying PRSI, it is cheaper than supporting unemployment through transfers only, and the unemployed get work experience. German studies have found that works when a similar scheme was tried in that country.

I will make another point on activation measures. For social welfare purposes the rates for jobseekers on casual work should be calculated by hour rather than whole day. That would also reduce their incentive to not work on certain days due to the social welfare rules. That is quite controversial but in countries such as Norway, Sweden, the Netherlands and Denmark, it is working well in that they do not have to leave a full day vacant to qualify for some social welfare.

In terms of what has happened since the budget was announced, we agree we must be fair and guard against poverty. That is the challenge but the question is the way we achieve it. Since the budget announcement the country and the Government have been rocked by two measures, namely, the cut in the carer's grant and child benefit. I have reflected on that. The Minister's hands are tied. She had to take €390 million out of this budget, and that was after a very good negotiation to reduce it from €510 million. The construct within which the negotiations are taking place appears to be wrong. It is time that the programme for Government was renegotiated-----

Senator David Norris: Hear, hear.

Senator Fidelma Healy Eames: -----because some of the promises made at the outset were unsustainable. We now see that the Minister had to cut child benefit but why did we not consider taxing it as opposed to making the €10 cut across the board, given that we are meant to have a progressive system? Would it not have been fairer, and I am supportive of all the Minister is trying to do, to have taken a little from everyone as opposed to appearing to strike at one area?

Senator Marc MacSharry: An attack on the most vulnerable.

Senator Fidelma Healy Eames: We are almost destabilising a Government that has taken over an incredible mess left behind by the previous Government. We know at a human level that the carer's grant cut is not palatable given the important work carers do and how they save the State money, but I am aware from spending the weekend getting a good deal of feedback that it needs review and drilling down. Three postmasters - one in the west, one in the mid-west

and one in the south - have told me that in their view, and these are anecdotal reports which I cannot confirm, it is not fairly handed out in that some people deserve more while others may not deserve as much. What is happening is that the family doctor is signing off but the medical assessor, on behalf of the Department of Social Protection, is doing a desk assessment. It is important that the Minister's officials check that.

Fraud has been alluded to in reports and the back to school allowance should be paid in vouchers, not in cash, because the vouchers would ensure it would be spent on clothes and books. The issue of cohabitation and rent allowance should be examined also. I strongly encourage the Minister to examine those areas. We should support her at committee level in doing that on a year long basis and not just in the few weeks leading up to the budget.

Senator Jillian van Turnhout: I welcome the Minister to the House. I wish to make the following statement as leader of the Independent Group of Taoiseach nominees, namely, Senator Fiach Mac Conghail, Senator Martin McAleese, Senator Mary Ann O'Brien, Senator Marie Louise O'Donnell, Senator Katherine Zappone and myself.

We are aware of the difficult decisions that successive Governments have faced in recent years. However, we have a number of concerns with regard to some of the choices made in the Social Welfare Bill. As a group we have met and discussed the Bill that is before us today. We are, as everyone knows, a group of Independents who come from a wide range of backgrounds including civil society, NGOs, the arts, education, business and human rights. Each of us has our own unique perspective and it was for this reason we were nominated by the Taoiseach to the House.

The Seanad was established to give a voice to different and challenging opinions of Irish society. We are doing so today. As Independent Senators we all have a role in offering our particular opinion based on our experience and to challenge the Government and the Dáil in decisions they have made. Each one of us has taken time to reflect on our individual viewpoints. In the past week I have had discussions with each of the colleagues in our group. I was struck by the fairness and empathy of their considerations regarding the matters before the House. We had hoped for, and would have supported, reform of the social welfare system. However, we are faced with a proposal to make cuts instead of fundamental reforms.

We have difficulty in supporting some specific aspects of the Bill. We have tabled three amendments which can be summarised as follows. In regard to the respite care grant, we cannot underestimate the importance of this grant to brave carers and the people for whom they care. The proposed cut is inequitable and goes to the heart of our values as a nation. In regard to child benefit, we are concerned about the absence of any measures to cushion families on low incomes against these cuts. Can the Government consider counteracting these cuts for low-income families by increasing the family income supplement and the qualified child allowance or by implementing a second tier payment? In relation to section 13, we agree that measures should be put in place to recoup over-payment but the manner in which this is done is important. Recoupment should be phased or staggered in such a way that the relevant person maintains a minimum income threshold throughout the period of repayment.

We do not plan to hinder the passage of the Social Welfare Bill today as it moves from Second Stage to Committee Stage. On Committee Stage tomorrow we will give our individual viewpoints on the amendments we have tabled. We will listen carefully to the Minister's response and reflect, and on that basis determine how we will vote. We have a diversity of experi-

ence and perspectives in our group. We do not impose a whip on group members. There have been times in the past and I have no doubt there will be times in the future when we will not all vote in the same way. However, on this occasion we anticipate acting in unison.

Senator Marie Moloney: I welcome the Minister to the House for a debate on an important and, perhaps, one of the toughest Bills that will go through the House. There is no doubt these are challenging times and some hard and unpalatable decisions had to be made. When we came into government the country was in one hell of a financial mess. The onus is on us to get the country back on track and get it moving again and bring back physical and economic stability to our country. There is no doubt citizens have been hurt not only by decisions taken in this budget but in previous budgets.

We are well aware of the gap between what we spend and take in in taxes. Unfortunately, this dictates that cuts have to be made in every Department. That social welfare has the highest spend at more than 40%, means that cuts have to be made in social welfare. All parties are in agreement that the deficit has to be closed but how we go about it is what we do not agree on.

Before addressing the more controversial issues I wish to refer to some of the more positive aspects of the Bill. An issue which has not been mentioned by the media and the Opposition is that the Minister did renegotiate the cutbacks in social protection from €540 million to €390 million. People may say that is not much but I dread to think where one would have got another €150 million savings in this year's social welfare budget. I am pleased the Minister was able to achieve that. The cuts are hard enough to bear without a further €150 million.

I welcome the €30 million in new spending on unemployment programmes and child care. I welcome specifically the 10,000 new places in the jobs activation programme and, in particular, the introduction of the 3,000 new social employment scheme places which is to be rolled out to local authorities. This investment is consistent with the Government's priority in getting people activated, getting them back to work or undertaking education or training, which we hope will improve their chances of getting a job in the future. The plan is starting to work. Private sector employment has started to grow for the first time in four years - albeit a very small change - but at least a change in the right direction. I also welcome the roll out of the Intreo office which will reform the delivery of service for employment and income supports and

will assist the unemployed with all their needs in a new, more efficient and user-friendly manner. Also very welcome is the €14 million which is being directed to after-school child care places, €2 million to the school meals programme and €2.5 million for area-based child poverty initiatives. I ask the Minister not to hand over the money to the Department of Children and Youth Affairs until she knows the child care provisions are to be set up. I also ask the Minister to continue to develop and enhance these facilities over the coming years as they are essential to her proposal to get those who are parenting alone back into the workforce.

The Minister has managed once again this year to maintain the basic rates of social welfare. I welcome that fact. Many will say that is not the case, but in it is. The Labour Party has always fought hard to protect the basic rates of payment and this coalition Government has made a decision to continue to do so. I acknowledge the value the Government places on the free travel and free television licence schemes. However, it reduced the number of units in the electricity and telephone allowance.

I know people will say we broke our promise not to cut child benefit. We did. There are no two ways about it. Since we made that promise things have changed that greatly affect the economy in this country. Europe has gone into recession. More people are dependent on social welfare. The demand on pensions has got higher. There are 80,000 more people in receipt of the State pension since we came into government.

I am worried about the impact the cut in child benefit will have on people. Many have got used to relying on this monthly payment to help to pay bills. While I understand this is not the reason child benefit was introduced, it is a fact of life that many, though not all, had come to rely on it. Many people say that taxing child benefit is the way forward. I know the Minister favours this. However, means testing is the best way forward as the people who most need it will retain it. If child benefit is taxed I would be worried about the middle-income earner who would end up paying at the very least 20% tax on it. That would be excessive for them. I welcome a debate on the proposals in the report of the Advisory Group on Tax and Social Welfare chaired by Ms Ita Mangan.

I will now deal with the cut in the respite grant for carers. Prior to and since my election to the Seanad I have worked continuously for one sector of society, namely, carers. I am constantly highlighting the valuable work of the carer in every debate possible. I even moved a motion at the Labour Party conference on carers. I met the Minister to discuss some of the issues surrounding carers. I asked her not to cut the half rate to carers as many carers were extremely worried about it. I also asked her not to reduce the disregard for carer's allowance, not to touch the domiciliary care allowance or not to make changes to the disability allowance payment. Thankfully the Minister delivered on those requests.

I did not see the cut to the respite care grant coming. I very much regret this is where the Minister had to find the funding reduction within the social welfare spend. No matter where the Minister would make the cut, it would hurt people because that is the nature of social welfare. Social welfare was put in place to help those who have no other income and depend on the State to help them. The Minister may know - I know my Labour Party colleagues know - I have written to her outlining proposals that I and my colleagues believe will benefit carers and will be cost neutral. I have discussed this at length with my Labour Party colleagues who are very much in support of the proposal. We are asking that 20% of the new job activation places would be allocated to the Carers Association throughout Ireland. This would provide 39,000 hours per week and over 2 million hours each year, which would give carers a weekly respite from caring.

I ask the Minister to give serious consideration to my other proposal for carers, namely, to extend the eligibility for carers to partake in community employment schemes, which would give them access to training and upskilling in the event of them no longer being a carer. It would also give them a break from caring and an opportunity to interact socially with other people outside the caring environment. The third request is that an interdepartmental survey on the provision of respite care be carried out to identify gaps in the provision by the HSE.

I hope she will meet her colleague, the Minister for Health, Deputy James Reilly, and discuss it and come back to members with a satisfactory answer.

While I will be supporting the Bill, it is with a heavy heart. The reason I am doing it is that I need to be on the inside working and fighting on behalf of the carers and other recipients of social welfare. The new vulnerable in my eyes, is the low to middle-income worker. I will continue to fight to protect what they have and I will keep the pressure on the Minister and her

Cabinet colleagues to ensure that no further cuts are made to carers or to people with disabilities. I will be actively pursuing our proposals with her.

I believe we must put a means test mechanism in place. We cannot continue to say that this is not possible due to administrative difficulties. If we do not start somewhere then we will never arrive at the place we want to be, where those who can afford to pay for the service pay, and those who genuinely need assistance get it. I have already called for a means testing board to be set up that will provide a one-stop shop to specifically deal with means testing and by which information can be shared among all Government bodies.

Acting Chairman (Senator Michael Mullins): Senator, your time is up.

Senator Marie Moloney: I have also suggested that people signing on for credits for pension purposes should be asked to make a small contribution, perhaps €1 per week towards safeguarding their State pension rights.

Acting Chairman (Senator Michael Mullins): Senator I must pull you up.

Senator Marie Moloney: This will be a cheap pension policy for them. We can no longer accept that retired politicians, bankers and civil servants on huge pensions are left untouched. It must be dealt with. How can we expect the man or woman on the street to accept the cutbacks and the new charges that are being imposed if this sector of society goes untouched?

Acting Chairman (Senator Michael Mullins): Will Senator Moloney please finish as she is eating into other people's time?

Senator Marie Moloney: I apologise, I should know better, but I will be raising these issues again.

Acting Chairman (Senator Michael Mullins): Thank you, Senator. Senator Norris has eight minutes.

Senator David Norris: I welcome this brave and courageous Minister to the House. I do not agree with her on this, but I acknowledge that she did manage, in a difficult battle, to reduce the cuts that were imposed on her in this very difficult situation. I also acknowledge the fact that I happened to notice that a Minister of State came into the House and was prepared to take over but the Minister did this House the courtesy of staying. I think it is worthwhile to state that.

Senators: Hear, hear.

Senator David Norris: I was very heartened when the Minister indicated that in previous debates on serious financial issues in which her Department had an interest, she did take the advice of the Seanad and it strengthened her hand and was able to renegotiate. In what Senator Marie Moloney said in her carefully crafted speech, she seemed to be suggesting a way in which some degree of resolution could come to the carers. I do not believe it will be sufficient. I recognise the Minister has made a commitment to restore core community services, to give funding for 10,000 additional places and €35 million for new mental health services. It is important to be balanced, especially when we are Independent Members.

I now want to deal with the notion of Independents. The single most important thing that was said today was the statement from the Independent core of the Taoiseach's nominees. That

independence of mind, that careful consideration indicates very clearly to everyone that the game is now on, the ball is in play. This House can for once do what it was constitutionally established to do. It can do this without any sense of unpleasant party factionalism or confrontation with the Government because we cannot defeat it. All we can do, is as we are charged on behalf of the people to do, when a difficult, dangerous and painful situation confronts our nation, is to respectfully ask our Government to go back and reconsider the situation over a period of 90 days. That is what I will be voting for. I will not be voting to defeat the Government. I will be voting against sections of this Bill so that the voice of the people can be heard.

Senator Darragh O'Brien: Hear, hear.

Senator David Norris: The reasons I am doing this is, first, on behalf of the people, second, because I believe this is the only way in which this House can possibly justify its existence. It was some kind of brainwave of the Taoiseach to suggest that Seanad Éireann be abolished. It was popular with the people. It was a populist move. The people would love to get rid of 60 politicians and would love it equally well if it was 60 politicians in the Dáil or indeed the Taoiseach himself at the moment. We are confronted with the situation.

I would say to my colleagues over there that they are gone anyway unless they justify themselves. Why not behave for once in the same manner as you do when you speak so freely out on the plinth? Live up to those actions, stand up for the Republic and thereby justify our existence. If we lie down and do not protest, we are handing the argument to those opponents of Seanad Éireann who will say "Look at the lapdogs who did not even bark when the people were imperilled". I ask Members opposite to consider their situation. There are a large number of them who may, in hopes of a seat in the other House, decide cravenly to give in to the Government. They have a fat chance.

It is important that we also correct some of the things that were said. It was suggested that people are so much better off in this country than people in Holland. In Holland, they have a really good health service. A close friend whose wife suffered from multiple sclerosis took her immediately to Northern Ireland on his retirement because the services are so much better there. These things cannot be quantified in miserable budgetary terms. Even if one did, one would find that the abolition of the weekly PRSI threshold has an immensely magnified effect on the poorest. I am not taking this from Sinn Féin; I am taking it from the ESRI. I would not impugn Sinn Féin if its members did their sums correctly. The ESRI study of Budget 2012 shows it was regressive, with reductions of 2% to 2.5% for those with the lowest incomes as against losses of approximately three quarters of a percent for those on the highest incomes. It shows that we are crucifying the most vulnerable. On those issues, we must stand up.

It is also important that some of those voices be heard. I have a small selection of the agonised e-mails that I and every other one of my colleagues have received. I am not making a party political point. There are decent people in every party and every corner of the House whose hearts ache as mine does. I ask Members to listen to these e-mails.

Once, I was the middle-class wife of a public servant. Now, I depend on welfare; not what I have worked and hoped for for 60 years. My car is being sold after Christmas. I have to get a car with a smaller engine so that I can afford to tax it. My three-year-old niece with an inoperable brain tumour will lose over €300 of her respite grant. Last year, the grant was used to purchase a pair of boots which cost €700 so that she could walk.

These are the human stories behind what we are being asked to do. We will support the Minister's hand in going back to Cabinet and asking that these cruel cuts not go through. Another e-mail states:

We are freezing, have no oil, the kids are wearing two layers and gloves. I am at my wits' end. Please do not push me any further by taking the little bit of money I am getting away.

I could not stand here and vote for these particular sections. I know we are in economic difficulty. Nobody needs to tell us. Nobody should dare to say that people use the money to go on holidays abroad. Perhaps that happened once, but I heard someone who had the audacity to say that respite carers should take their holidays in Ireland. What planet is that person living on? They are not taking holidays at all. Suppose carers did not love their family members and did not sacrifice their lives for them. Suppose they behaved callously. The State could not possibly afford it. Yet we are giving €4 billion to the Central Bank to burn.

We are not supposed to talk about the promissory note, but I demand the right to do so. I am not convinced by what is being said.

While we will hold the EU Presidency, Cyprus still has it. Has anybody heard of Cyprus? It is a Kitchener position no different to being on the front page of *Time* magazine. I wonder if the penny has dropped? Our Minister for Finance does not even chair the meetings of Finance Ministers. That shows how much effect we are going to have. I will vomit publicly if I ever again hear how well behaved we are. Even the Minister pointed out that there is no violence on our streets as there is in Greece. While I do not advocate it, we are too passive. We should surround the Central Bank on a particular day in our tens and hundreds of thousands and demonstrate to our masters in Europe the cost that is being bled out of the people of Ireland by measures like this. I will support the Minister if she renegotiates.

(Interruptions).

Acting Chairman (Senator Michael Mullins): No clapping allowed in the Chamber.

Senator Deirdre Clune: I welcome the Minister and commend her on a number of points. First, she has succeeded in bringing her reductions to €390 million and she got €150 million savings. We should all remember that €150 million in her own Department and that of the Minister for Health is to be funded by taxation measures at a time when we are trying to keep taxation low to encourage consumers to spend and employers to develop job opportunities. Second, I commend her, in a difficult budgetary context, for maintaining core social welfare rates in jobseeker's benefit, jobseeker's allowance, carer's allowance and State pensions. We need to repeat that and should be very proud of a budget which can deliver those rates in such difficult times.

I was encouraged to read the proposals in the budget regarding children, in particular the creation of 6,000 after-school child care places for primary school children. The objective is to permit the parents of those children to partake in a training or employment opportunity, hopefully the latter. It is a positive proposal. Anyone who says the budget is anti-children is making misplaced comments. There is additional money for the school meals programme and the area-based poverty initiatives which are helping the most vulnerable children in our society. They also help their parents to develop employment opportunities and we do not hear enough about them. We should repeatedly refer to them. I hope the media will take them up and inform

people of the very positive developments which will help children and encourage them. Those of us who have worked with these programmes, including Members opposite, know their value full well.

Somebody said the budget was not reforming enough of social welfare. The Minister spoke today of how she is changing the emphasis from the payment of income support to the development of employment initiative programmes. I welcome the addition of 10,000 places on various programmes. JobBridge has been particularly successful. A recent independent report of Indecon set out that 52% of participants in those courses gained employment. Up to 90% of participants were happy and gave positive reports of the necessary skills they developed and their confidence that they would be able to gain employment. Community employment schemes have been extended and new places developed on local authority employment schemes. These initiatives came from debates in this House. The Seanad has proved itself useful in influencing the Minister, which she acknowledged in her speech.

It is important to recognise that the national carers' strategy was published in the last 12 months. It had been long outstanding and shelved by previous Governments. While I wish the respite grant could be maintained, the fact that carer's allowance, carer's benefit, domiciliary care allowance, relative's allowance and half-rate carer's allowance are still in place is positive. I have spoken to many carers who are upset that the respite grant has been cut. I ask the Minister, as Senator Moloney did, to consider introducing means testing in this area as there is some disquiet.

The Minister of State, Deputy Perry, is concerned about the need to get people back to work. I have spoken to many who are availing of these very valuable employment schemes and they are positive. To say that this is not a reforming budget in respect of its social welfare contribution is completely untrue.

Senator Brian Ó Domhnaill: Go raibh maith agat, a Leas-Chathaoirleach. I want to share two of my minutes with Senator Byrne.

Acting Chairman (Senator Michael Mullins): Is that agreed? Agreed.

Senator Brian Ó Domhnaill: I wish to begin by reading a few lines from a speech given in 1941 to the Congress in the United States by Franklin Roosevelt:

There is nothing mysterious about the foundations of a healthy and strong democracy. The basic things expected by our people of their political and economic systems are simple. They are equality of opportunity for youth and for others. Jobs for those who can work. Security for those who need it. The ending of special privilege for the few. The preservation of civil liberties for all. The enjoyment of the fruits of scientific progress in a rising standard of living.

Those words were true in 1941 and are true today yet we are discussing a Social Welfare Bill which contains a fundamental cut affecting the less privileged in society, those who are disabled and those who are elderly and vulnerable. The cut equates to approximately €26 million. There are 22 top bankers receiving salaries of over €500,000 each, which amounts to close to €15 million. There are 88 retired bankers on pensions of over €100,000 each. When those figures are added together they amount to the cut in the respite care grant. That brings home Roosevelt's words but the privileged appear to be protected and are not affected by cuts in the budget or any action on the part of the Government. On the other hand, the most vulnerable are

being attacked.

The cut in the respite care grant was a step too far, affecting people who are voiceless and unable to defend themselves. The small saving of €26 million should be reconsidered. There are very good Senators in the Government parties, and I hope that they will use the amendments which Fianna Fáil and others will bring forward over the next few days to reflect on their consciences and vote according to what they believe is right, based on the words of Roosevelt and others since he made that speech in 1941.

I have done a simple sum, based on a rural family in which the husband receives a farm income of approximately €15,000 and farm assist, there is a disabled child who receives the respite care grant and the mother receives a carer's allowance. They will be penalised to the tune of €3,061 by this budget because the farm assist payment will be reduced by at least €47.50 a week, child benefit, if they have two children, by €240 a month, and the cuts in the respite care grant will amount to €325 annually. If their overall household income is in the region of €29,000 they will be subject to a cut of approximately 10.5% in their overall household income. That is a regressive budget. No one could support that.

Acting Chairman (Senator Michael Mullins): The Senator is eating into Senator Byrne's time.

Senator Brian Ó Domhnaill: That is why we are bringing forward our amendments.

Senator Thomas Byrne: Táim buíoch do mo chomhghleacaí, an Seanadóir Ó Domhnaill, as a chuid ama a roinnt liom. In the programme for Government, the Government parties commit to protecting social welfare rates. There is nothing in the programme for Government about core or specific rates. The Tánaiste, the leader of the Labour Party, reaffirmed that commitment on the 100th day in office of this Government. That solemn commitment has been evident only in its breach.

Those affected by the highest cuts in this budget are those in receipt of the respite care grant and the back to school allowance. The latter allowance is not covered by this Bill. Why have they been targeted? Why has this not been done more fairly? Middle Ireland has been hit by child benefit cuts and the increase in PRSI. The Labour Party promised to protect child benefit when it was in opposition and during the election but in government a Labour Party Minister has offered it up with no resistance from Fine Gael. That is unfortunate and people should remember the commitments they made before and after the election.

Senators who voted across party lines to protect the Seanad are now called upon to vote across party lines to protect the most vulnerable in society and to use one of the few powers available to us, namely, to tell the Dáil and the Government to think again and make fairer cuts and honour commitments made before and after the election.

Senator John Whelan: I would like on my own behalf, and on behalf of the Labour Party in counties Laois and Offaly, to apologise to the electorate in our constituency for failing in this instance to abide by a solemn pre-election pledge to protect child benefit. To say otherwise is merely splitting hairs and semantics. When I, along with my colleagues, put up those posters and distributed those leaflets during the election, I believed we intended to stand over that commitment. I earnestly regret that we have not. I share the same deep sense of betrayal which is felt by many of those in my community and beyond who have contacted me, anxious and distressed by this across-the-board cut to child benefit.

We also promised to protect the most vulnerable, to be fair and ensure equity. Again, a universal cut to the carer's respite grant surely fails that test. It is not that I am looking to apportion blame but rather accept my share of the responsibility in these failures. If we promised reform, we also promised to restore confidence and credibility in a much tarnished, discredited body politic which has been brought into much disrepute. We will hardly do so by making false promises ourselves or breaking our promises.

The Government has a current expenditure in excess of €52 billion and the adjustment in tough cuts and taxes in this budget amount to €3.5 billion. The main flash point issues amount to less than €150 million. It is my sincerely held view that we could have addressed this amount differently rather than picking on children and carers. The option of a temporary short-term solidarity levy or social charge on high earners in excess of €100,000 was roundly rejected by the coalition Government. The choice the Cabinet made is beyond me.

It falls to more than the Labour Party to be guardians and gatekeepers of social solidarity, fairness and decency. People complain about the hand of the troika and our lack of sovereignty. True, we are not free agents and we are beholden. However, our income tax rates and policy should not be set by faceless third parties. After all, we already have a generous and attractive corporation tax regime. Many high earners and corporate entities would willingly subscribe to a voluntary social charge or a voluntary corporate contribution in the short term, particularly if they felt that resources were ring-fenced and put to best use for those most in genuine need.

It would also be remiss of me not to acknowledge and commend the Minister for Social Protection, Deputy Burton, for her considerable achievement in substantially protecting those reliant on the bulk of her €20 billion social protection budget and safeguarding weekly payments to the disabled, carers, widows, pensioners and the unemployed. This is no mean achievement and one I do not disregard.

However, the time has come for the overhaul and reform of the child benefit system. Children's allowance was introduced as a universal payment in the 1930s but we live in a much different and more complex society today. With the budget's cut in child benefit, it is unfair that a family on €20,000 should be subjected to the same financial hit as those on €100,000 and over. On such difficult decisions, the Seanad does have a responsibility.

No Member has a monopoly on courage or righteousness. One road is as hard as the other. However, I do take exception to the personalised and vitriolic nature of attacks we have witnessed recently. Some people believe it is okay to give any politician they meet dogs' abuse as if it does not matter.

Senator Catherine Noone: Hear, hear.

Senator John Whelan: As for the goading from the Opposition, its Members will maintain they are simply doing their jobs. It would be a poor lookout for me if I had to turn to either Fianna Fáil or Sinn Féin to set my moral compass.

Senator Darragh O'Brien: Who goaded Senator Whelan?

Senator Thomas Byrne: We did not mention the Senator at all.

Senator John Whelan: I will not be chastised by either Deputy Martin or Deputy Adams about doing the right thing. When Bertie Ahern and his greedy cohorts were milking this

country dry, Deputy Martin and those who cosy up beside him sneering and scoffing had their chance to stand up to be counted but they chose instead to stand idly by. Then there is the political utopia of Sinn Féin. What about a Fianna Fáil-Sinn Féin Government? God forbid; the country has enough troubles.

Senator Darragh O'Brien: What is the point of this?

Senator John Whelan: These past two weeks I have robustly endeavoured, in private and in public, to change elements of this budget. It is not, however, my function as a Labour Senator to seek to recklessly destabilise the Government. To vote down the Bill would in my considered view lead to such instability that would be dangerous for our country. To what end, to what benefit and who would gain?

Senator David Norris: Carers might benefit.

Senator John Whelan: I believe it would be a pointless, if populist, gesture, playing into the hands of a grossly irresponsible Opposition. Some of us have a value system and agenda that goes beyond the pursuit of merely looking to the next election and playing to the gallery. I will finish on this point.

Senator Darragh O'Brien: Is the Senator finished already?

Senator John Whelan: I intend to campaign for real change and reform as a committed Labour Party Senator and supporter of this Government.

Senator David Cullinane: That was a pathetic speech.

Senator Darragh O'Brien: That was unbelievable.

Senator Katherine Zappone: I welcome the Minister of State, Deputy Perry, to the Chamber. As we are all aware, the country is watching and listening to what we do here today. The Minister for Social Protection, Deputy Burton, is a member of the Fine Gael-Labour Party Cabinet and is responsible for a Department that provides an investment of 37% of government expenditure for the protection and well-being of the people. She has the opportunity over the next several days in the Seanad to adopt a new tone of governance, a form of deliberative and representative democracy that demonstrates a dialogic approach between the Government and the people.

Since the Ministers for Finance and Public Expenditure and Reform announced the outlines of the 2013 budget, a national conversation has erupted in which all of us as public representatives have listened and participated. Over the course of the past several days, especially when the Social Welfare Bill was debated in the Lower House, a few prime issues have risen to the top of the budget debate. As my colleague and group leader, Senator van Turnhout, has so forcefully outlined, Independent Members have put forward amendments to the Bill to deal with these issues.

There is not one person in the country who does not understand that our economy is in a terrible way, that our recovery has so far been anaemic, that savings must be made and, above all in light of the financial and social crises, that we must limit the damage done to the most vulnerable, especially when budgetary choices are made. Governing with a dialogic approach requires, even in the toughest times, that those who lead demonstrate flexibility and empathy. The people need to be listened to and those who govern must trust the people. The Minister

for Social Protection said she had reduced the original amount to be cut by €150 million. It is a significant amount, for which I commend her, as I do on the other reforms she has introduced. However, as of today, I, as well as the majority, do not understand why the Government did not approach some key budgetary measures differently. Why did Fine Gael and the Labour Party fail to increase the universal social charge for those earning more than €100,000 per annum? We have been told it is because the Labour Party lost the battle and Fine Gael promised not to increase taxes. I have heard even those on more than €100,000 acknowledge that an increase would have been a fairer way to proceed than to make reductions in the respite care grant. Even to increase the universal social charge by 1% or 2% could have compensated for the saving of the €26 million which was achieved by cutting respite care, and that cut would not then have had to proceed. We have not heard credible, logical, value-based reasons for choices such as these. Further, why did those who govern postpone the capping of tax relief for the pensions of high earners until 2014? What credible, logical, value-based reason could there be not to introduce a saving of €215 million for 2013, thereby allowing the Government to maintain the incomes of children in the poorest and hungriest households?

The Minister says she has to cut child benefit across the board, from rich to poor and middle-income households alike, and that a fairer, more equitable reform of child benefit must wait until the expert report on that topic is debated. Why? Rich and poor alike do not understand the logic of that wait. Ireland needs a form of governance that is credible, listens to the people and demonstrates that equality of empathy is present. To make a few changes, even now, to the budget will not unravel the whole thing. Rather than set us on a slippery slope, it would demonstrate a new form of governance and those the Minister was willing to trust would be more likely to respond with renewed hope and determination. I ask the Minister to call a meeting with the Taoiseach, the Tánaiste and the Ministers for Finance and Public Expenditure and Reform - the Economic Management Council - to ask them to listen to the people and to feel with them, which is the nature of empathy, and to make key changes even at this stage. The alternative is that Fine Gael and the Labour Party risk leaving what Adrienne Rich calls “a rusted legacy”. There is still time to image the possible and engage in a way of governing that engenders hope for all our people.

Acting Chairman (Senator Paul Bradford): The next Senator has five minutes, but I will advise her after four minutes as I am trying to get as many speakers in as possible.

Senator Cáit Keane: We have two more days on it. I will start anyway and do as well as I can.

Acting Chairman (Senator Paul Bradford): I want to clarify for Members that we will conclude Second Stage by agreement at 5.30 p.m.

Senator Cáit Keane: The clock did not start when I stood up. It has not started yet.

Acting Chairman (Senator Paul Bradford): It is starting now. I am advised that the Chair presides over these matters. We look forward to the Senator’s contribution.

Senator Cáit Keane: The Acting Chairman is taking my minutes.

I commend the speakers who have spoken and spoken well on a very serious issue. One Senator said “The game is on”. It is not a game, nor is it a battle between Fine Gael and the Labour Party.

Senator Darragh O'Brien: He did not mean it like that.

Senator Cáit Keane: It is a very serious monetary situation the country finds itself in. It is not only the Government but everybody in the country who has to recognise where we all find ourselves, mostly through no fault of our own. I take responsibility for anything I did as a local councillor. I was impressed with speeches from Independent Senators who said that the Seanad is a place where one can make changes. However, I would be much more impressed if the Independent or Fianna Fáil Senators who spoke had identified from where the money is going to come. When the Minister was initially tasked with finding €540 million, she reduced it to €150 million. I did not remember until today that the initial spending that the Fianna Fáil and Progressive Democrat Government sought was €800 million.

Senator Darragh O'Brien: The Senator was gone then.

Senator Cáit Keane: I was there and I say that what has given politics a bad name is hypocrisy.

Senator Marie-Louise O'Donnell: And bad decisions.

Senator Thomas Byrne: Is the Senator jumping ship?

Senator Cáit Keane: Hypocrisy in politics gives politicians a bad name. Senators should man up, or woman up, and say when they are wrong. In the budget for 2010 and again in 2011 when Deputy Ó Cuív was Minister, Fianna Fáil slashed the core weekly payments on which some of the most vulnerable groups in society relied. Carer's allowance and tax relief for carers were cut, as were widow's pensions, invalidity pensions and pensions for the blind.

5 o'clock

In 2011, under the then Minister, Deputy Ó Cuív, Fianna Fáil and the Progressive Democrats slashed the core weekly payments on which the most vulnerable groups in society relied. They cut both the carer's allowance and the carer's tax relief, as well as the widow's pension, the invalidity pension and the blind pension. I do not ascribe blame because the entire situation had collapsed and the Government had to do something. We are now being blamed for continuing with what we were bequeathed by the previous Government and every Minister has to cut the cloth accordingly. Nobody likes to make cuts in the Department of Social Protection because they affect the most vulnerable in society.

The respite care grant has been reduced but it trebled over the last ten years. Carers have the hardest job in the country and if one put a monetary value on the work they do because, for example, those for whom they cared were hoisted into hospitals, it would make for an interesting analysis. We currently spend €771 million on carers but that should be weighed against what is spent on nursing homes.

We must ensure the budget is fair and that everybody pays a fair share. However, we also want to ensure those who can pay their share stay in this country and employ people. The Irish tax system is one of the most progressive in the world according to an OECD report published in 2011. The OECD defines the tax wedge as income tax plus employee and employer social security contributions. Ireland comes second in the world and first in the EU for progressivity, which means fairness. I rarely hear that mentioned in the newspapers.

I want those in need to get the money. That is what the Minister, Deputy Burton, has done.

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She is tackling fraud to ensure the money goes where it is needed and to ensure those who are not in need do not fraudulently receive payments. The Minister for Children and Youth Affairs, Deputy Fitzgerald, is working with the Minister, Deputy Burton, to put the money where it is needed at a time when we do not have all the money we want.

I pointed out earlier that a report by the OECD reveals that Irish mothers pay a huge price for having children. Their earning potential is reduced. Child care and child benefit will be debated in the Seanad. We cannot do everything at once but it is an issue we will have to address.

Debate adjourned.

Business of Seanad

Senator Maurice Cummins: I propose an amendment to the Order of Business to extend the conclusion of the debate on Second Stage of the Social Welfare Bill 2012 from 5.30 p.m. to 5.50 p.m., with the Minister to be called at 5.45 p.m.

Question put and agreed to.

Social Welfare Bill 2012: Second Stage (Resumed)

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

Senator Marie-Louise O'Donnell: On a point of order, I ask Senator Keane to retract what she said about carers. She said they were likely to be hoisted into hospitals. That trumps the comment from Senator Norris that the game is on.

Senator Cáit Keane: I was complimenting carers for looking after people in their homes, where they should be looked after. I was on the same note.

Senator Marie-Louise O'Donnell: I think the language she used tells us something else.

Acting Chairman (Senator Paul Bradford): I ask the Senators to resume their seats.

Senator Cáit Keane: I will not resume my seat while I am being misinterpreted. I was complimenting the carers and I do not want anybody to say otherwise.

Acting Chairman (Senator Paul Bradford): I ask the Senator to resume her seat. The issue raised by Senator O'Donnell may not be a point of order but it can be teased out further on Committee Stage.

Senator Feargal Quinn: I want to see this country on its feet again but to do that we will need tough love. The Minister spoke about how we have managed to rebuild confidence in the economy. I pointed out on the Order of Business that €8.5 billion was invested in this country last year because outside investors have confidence in us. Social cohesion allowed us to build that confidence.

Over the past several days much has been made in the media of the ability of this House to change legislation and delay the Social Welfare Bill. I hope we will be able to make positive changes to the Bill but social welfare reform is regarded across Europe as essential. Even Germany, which is Europe's strongest economy, cannot afford to continue paying many forms of welfare. *The Sunday Times* stated that any country which spends more than €20 billion per year on social welfare at a time when its tax take is just €36 billion is clearly dysfunctional. We have to make tough decisions and the Minister and the Government are making them. How can we sustain the State when the weekly social welfare payment of €188 is more than twice the amount paid in the UK or Germany? I am proud that we look after every citizen in the country but I tell foreigners about the amount of social welfare we pay in this country I am told I must not be speaking the truth. In Italy and other EU countries people do not receive unemployment benefit if they have not worked. The principle of unemployment benefit should be that one gets benefits if one has worked. While this may be an unpopular view the editorial in last Saturday's *Irish Independent* got it right in noting:

far from being concerned at the huge amounts being spent on social welfare, politicians of all parties compete with one another to express their 'social concern' ... It's time for some tough love on social welfare. Benefits have to be cut and fraud eradicated.

All areas of the €53 billion currently spent by the State must be examined. The economist, Jim Power, recently argued that the people who are opposed to any examination of social protection expenditure should recognise that it is financed by those who work and pay taxes. The latter should be allowed to comment on how their hard earned money is spent. The resources needed to provide a safety net to the less well off can only be generated through job creation. This point is often forgotten, however. We have to consider where the money spent on social welfare is being found.

The right kind of reform of social welfare can spur growth in the economy. I cannot understand why it is so difficult to means test benefits. By taxing child benefit and other benefits, the Government could raise revenue and help deprived children directly. Ireland currently pays the fourth highest rate of child benefit in the European Union, behind Denmark, Germany and Luxembourg. We must run the country as a business and we cannot afford to pay this anymore. We can learn from other countries in this regard. I believe the Minister has done that on this occasion and I will be supporting the Government on the Bill. I hope, however, the Minister will consider some of the changes that have been proposed.

Senator John Kelly: Everybody expected a tough budget. We knew that social welfare was going to be hit, although we thought more would be taken from the social welfare budget. My Fianna Fáil colleagues would readily admit that the social welfare rates are too high. Where would they take €400 million from the social welfare budget? Will they even give us an idea at this 11th hour?

Senator Mary M. White: We would not take €26 million from the respite care grant. It is incompetence.

Senator John Kelly: Where would they take €26 million without affecting the respite care grant? We must look at the reality. No social welfare base line payment was touched. The carer's allowance and the half-rate carer's allowance have not been touched, although other parties would like to see the latter abolished. There has been a total reversal on the proposed removal of €8 million from the home help and home care package. Incentives have been provided to

employers to employ social welfare recipients from the live register. Has the Opposition any alternatives to spare people the pain? If so, I would love to hear them.

Senator Trevor Ó Clochartaigh: Has the Senator even read our programme?

Senator John Kelly: I doubt very much they have alternatives in their programme that will provide for removing €400 million from social welfare.

Senator Trevor Ó Clochartaigh: There are plenty of choices.

Acting Chairman (Senator Paul Bradford): Senator Kelly, without interruption, please.

Senator John Kelly: The only power this House has is the power to delay the budget three months. The House could delay it until April, but then instead of a family of four having €58 a month taken from child benefit in January, February, March and April, €232 could be taken from their child benefit in April. We would see then whether they would thank the House for the delay in implementing the budget.

I never wanted to see a cut to child benefit, but we need to find a fairer and more equal way of delivering it. Certainly, we should take it from the people who do not need it, those who use it for foreign holidays, and give it to those who are struggling. This is something we need to consider for the future.

Senator Denis Landy: I acknowledge some Senators in the House are genuinely concerned about this budget. However, I take issue with members of Fianna Fáil on the other side who destroyed this country. These same people cut the Christmas bonus and cut carer's allowance by €16.80 and are now telling us they are concerned about these people, only because they are on the Opposition benches. If they had any respect for themselves, they would keep their mouths shut during this debate. Obviously they do not.

I am proud of what the Minister, Deputy Joan Burton, has done with regard to her portfolio and budget. It has already been said that she pared back a potential cut of €540 million to a cut of €390 million. She has protected carer's allowance, at €204 per week, one of the most valued payments initiated by this and previous Governments. I am proud of that. Compare this to the carer's payment north of the Border, at £58.45. Yet the same party working there, Sinn Féin, sends me e-mails asking me to express my concern today for the people of this country who will lose money. The cheek of Sinn Féin public representatives to send me e-mails on this, while just 100 miles up the road, where Sinn Féin is in office, carers only receive £58 a week.

Senator Trevor Ó Clochartaigh: What about all the other services they get? Compare like with like.

Senator Denis Landy: I would prefer if the Senator did not interrupt me. He got his time.

Senator Trevor Ó Clochartaigh: I did not get any time yet.

Senator Denis Landy: The Senator should join a party with a quorum. We need to see reform in the area of child benefit.

I welcome the Minister's offer to initiate the debate on the report on social welfare and taxation in the Seanad in January. I call on her to review both child benefit and the respite care grant at the earliest moment possible in 2013. We need to focus on this in 2013. I am proud of

the work the Labour Party has done within the Government. We make up approximately one third of the Government and are punching well above our weight. I commend the Minister on the Social Welfare Bill.

Senator David Cullinane: Senator Ó Clochartaigh does not need to join a party with a quorum in this House. He is in a party that has principles, which stands by the people who are being affected by the savage cuts in this budget.

The Minister knows full well many families are struggling. She knows many families struggle to send children to school, to put clothes on their backs, to put food in their mouths and on tables, to put heating oil in tanks and pay gas and electricity bills. Many families are in negative equity and many families struggle to pay basic bills. We must ask ourselves whether this budget makes life any easier for those families or whether it makes it a lot more difficult. We must be fair and honest and admit it will make life more difficult for the majority of middle income and low income families, particularly those on social welfare, because of the kind of cuts in this budget.

With Fine Gael, the Minister, and the Labour Party specifically, went to the electorate and made clear, solemn and unequivocal pre-election promises. One Labour Party Senator has apologised for that. The Labour Party said it would not cut child benefit. It said that was a red line issue which was non-negotiable. However, the Labour Party has turned its back on the people who voted for it. It has also reneged on its promises with regard to the respite care grant and college fees. Some of those constituents have e-mailed me. One said: "The cut is a cut too deep for the most vulnerable in society. Please do not pass it." Another wrote: "Hi, I am a mum of two autistic boys. My husband passed away suddenly three years ago at 39. This cut to the respite care grant and children's allowance will cripple us as a family. Please help." People are pleading for help from the people they voted into office to protect them, but those people have let them down.

In one of her final speeches as Opposition spokesperson for the Labour Party, the Minister said in the Dáil at a time when Fianna Fáil was seeking to cut child benefit.

Child benefit is keeping many families afloat. Child benefit is keeping bread on the table. It is paying the food bills of a significant number of families who have had a massive reduction in their income. Child benefit is, has been and will continue for a long time to be mainly an issue for mná na hÉireann and their children.

She was right to say that. However, now she comes in here and asks us to vote for a cut in child benefit - something she said was a protection for the women of Ireland and should not be cut, but protected. Again, the Minister has failed these people.

The former Labour Party Minister of State in the Department of Health, Deputy Shortall, challenged the Minister across the floor of the Dáil to stop using the word "fairness" in the context of this budget, because it is anything but fair. Senator Cáit Keane asked about the alternatives. We have set these out in our alternative budget.

Senator Cáit Keane: I have heard of those fairytale economics so many times I cannot number them.

Senator David Cullinane: The fairytale economics come from the people making the bad choices. Our proposals are modest. Our proposals are realistic and genuine.

Senator Fidelma Healy Eames: They are uncoded.

Acting Chairman (Senator Paul Bradford): Senator Cullinane, without interruption, please.

Senator David Cullinane: One of our proposals was also a Labour Party policy before it ditched it before the last election. That proposal is for a third rate of income tax, of 48% on individual income in excess of €100,000. This would have brought in €400 million, negating the need for any social welfare cuts at all. We would not cut social welfare. We would reform it and deal with waste, but we would not cut the incomes of those on the lowest incomes in the State and we would not take decisions that would push more people into poverty.

Senator John Kelly: Go up North and make those cuts.

Senator David Cullinane: We would not make these cuts at a time when not an extra cent in income tax was sought from higher earners. There has been no wealth tax imposed or no cuts for politicians, yet there are cuts in social welfare. I know the Labour Party and Fine Gael have high ambitions for Sinn Féin. I know we will do well and will probably take seats from them in the next election

Senator John Gilroy: It looks like that is what it is all about, electoral advantage.

Senator David Cullinane: However, we will not be able to win an overall majority in Westminster so we will be able to set the rates of social welfare which apply in the North. What we have done is we have made sure there are no water charges there. There is free health and free education in the North and we introduced free prescription charges. We also introduced a social inclusion fund and a social development fund, in very difficult circumstances.

The Minister is shaking her head, but while there are Tory social welfare cuts being pushed through the Assembly currently, similar to those the Minister and her party is trying to implement, Sinn Féin is standing resolutely against them. We will not vote for Tory cuts and will not support them, whether they come from the Labour Party in this State or directly from the Tory party in the North. Our position is consistent. We will protect low income families. We will protect middle income families. Unlike the Minister, Deputy Pat Rabbitte, who talks about flags of convenience for those Labour Party Senators who have a conscience, a man who is under more flags-----

Acting Chairman (Senator Paul Bradford): Thank you, Senator.

Senator David Cullinane: Of how many parties was he a member? Now he is challenging Labour Party Members and chastising them simply because they are standing by the election pledges made, for which one of them has apologised-----

Acting Chairman (Senator Paul Bradford): The Senator should conclude.

Senator David Cullinane: -----and the promises they gave to the people. There are families who are hurting. There are people on social welfare who are genuinely struggling to make ends meet. What the Minister is doing is making things worse, but, worse than that, she is betraying the very people who voted for her and her party. For this, she should be thoroughly ashamed.

Senator Marc MacSharry: I wish to share time with Senator Averil Power.

Acting Chairman (Senator Paul Bradford): Is that agreed? Agreed.

Senator Marc MacSharry: I welcome the Minister and I am glad to have the opportunity to make a few points.

I have no intention of getting involved in the political scenario. As for what Fianna Fáil did when in government, in the immortal words of a very distinguished former Leader of the House, “that was then and this is now.” The people adjudicated on that performance and we lost 58 seats. We must, therefore, comment on what is happening in the here and now. As I was not made Minister for Finance, I can say whatever I like about the budget and it is perfectly credible, given that I was elected to the House.

I have met the troika. I do know if many Labour Party Senators accompany the Minister’s delegations to the troika, but I have accompanied ours. On many occasions the troika has made it crystal clear that where the money is found is irrelevant, provided the bottom line is the same, savings are made and we achieve what is desired to be achieved. That is a fact. If it is not, when the Minister next goes to see the troika, I will accompany her at her invitation and I am sure others would like to come, too. I agree that we should meet them collectively.

As much of the ground has been covered, I will focus on one point. There were and are options. Those earning over €100,000 a year - the Members of these Houses are decidedly middle class and will know many of the people to whom I refer - were conditioned and expected to be hit by paying an extra 3% through the universal social charge. For six months it was the single item leaked most and it met with least resistance. I do not know what goes on in negotiations in the Cabinet room and who was sticking up for those would have been affected, but that increase of 3% would have brought in €200 million, which means there would have been €174 million left after putting the respite care grant back in place which could have gone towards child care services.

Who are we hitting? There are other potential levies, for example, on off-sales of drink or products with a high sugar and fat content. There could have been further reductions in the pensions area to cover other items. Therefore, there were options. The IMF has stated in recent days in the context of the next budget that we have cut enough. In the absence of growth in the 1980s, when there were tough budgets, we were able to offset some of the pain against the fact that there was a buoyant global economy. However, that is not the case now and we are hitting the most vulnerable, including those in mortgage arrears.

This is an opportunity to kick the Bill back to the Dáil. I believe that is the will of the people. The will of the people on this issue is to say have another look at this. Here are genuine options in the interests of the people. It is not a question of being disloyal to Fianna Fáil, Labour or anyone else. It is a question of showing that this House is representative of the people.

This is an opportunity to kick the Bill back to the Dáil, which is the will of the people. It is their will that we take another look at this issue, as there are genuine options. It is not a question of being disloyal to Fianna Fáil, the Labour Party or anyone else. It is a question of showing that this House is representative of the people.

Senator Averil Power: There is no doubt that the Government needs to close the gap between income and expenditure and I do not believe anybody in this House disagrees with that assertion. However, as Senator Marc MacSharry said, the Minister does have choices. The choices made in the Social Welfare Bill are wrong. It is wrong to target low income families for

cuts. It is wrong to abolish the back to education allowance for persons who are unemployed and trying to get an education in order that they can find a job. It is downright cruel to target carers for cuts in the respite care grant.

Senator Denis Landy: Fianna Fáil cut it by €16.80.

Acting Chairman (Senator Paul Bradford): Please allow Senator Averil Power to conclude.

Senator Denis Landy: Fianna Fáil cut it by €16.80.

Senator Averil Power: If you take comfort from shouting at me-----

Acting Chairman (Senator Paul Bradford): The Senator should address her remarks through the Chair.

Senator Averil Power: I will. This House has a very important job to do this week. I wish that Members would focus on the Bill. If Senator Denis Landy takes comfort from shouting at the Opposition side and making political points and if that makes him feel better about the e-mails from parents of autistic children who e-mailed every Member over the weekend asking us to do the right thing in conscience, that is fine. Personally, I am here to do a job and we have a serious job to do. All that we, on this side of the House, are asking is that the Government takes pause. Nobody is asking anybody to destabilise the coalition, as some Members suggested. All we are saying is that the choices made in the Bill are wrong and that we have an opportunity to force the Dáil to look at it again and come up with fairer choices.

Acting Chairman (Senator Paul Bradford): The Senator must conclude.

Senator Averil Power: The bottom line will still be the same, with which I have no issue. It will still be that the same overall level of cuts must be achieved, but they can be fairer. Alternatives have been mentioned such as an increase in the universal social charge. I know they appeal to Members on the other side of the House and that, in all honesty, if they think about them, they know they are right. I just hope that at least two or three Members on the Government side will have the courage and decency to do the right thing.

Senator Mary Moran: I welcome the Minister. This is probably the toughest debate in which any of us will ever be involved and the decisions made this week will certainly compound matters. Previous speakers referred to letters received. We have all received the most heartfelt letters and I speak as a parent of a child with special needs on the autistic spectrum and who fits all of these criteria. The last thing I want to do and the last thing I am sure any of us wants to do is to make cuts. We do not want them; nobody does. I have met the Minister for Social Protection, Deputy Joan Burton, and expressed my fears and concerns to her and she has gone into great detail in explaining the bigger picture. As Senator Feargal Quinn said, we have to look at the bigger picture.

The nub of the issue of the respite care grant is that there is no respite care service. The respite care services are absolutely appalling. I have a child who, if I am lucky, will sleep three hours a night and he is now 15 years of age. I could add the number of sleepless nights I have had and I then had to go and do my job. At one stage, to put bread on the table, I had to drive 70 miles a day. I did this for my children because I knew there was an end goal. That is where the problem lies. Respite care services have disappeared in the last year. In my own area, as I

said to the Minister, a service was available and there was a children's respite care unit. I am talking about respite care services for children up to 18 years. The respite care unit only opens now seven days in every 31. God forbid if a child gets sick on those other days, if there is a bereavement, or an emergency.

The most frightening aspect for any parent of a child with special needs who needs respite care is that there is nothing available. There are many people who would gladly give up their respite care grant altogether if they could be assured proper respite care services were in place. As I have outlined in the House previously, I know of one person who is taking her first break in nine years to be a bridesmaid at her sister's wedding and who has now been told she cannot be guaranteed there will be a respite care service available in the area during that weekend - tough. She now has to make the decision to either, possibly causing hurt and pain, take the child to England or forgo the trip. That is only one of the thousands of e-mails that have absolutely broken my heart. I know from first-hand experience exactly what all of these people are going through. If nothing else comes out of this, we should get a proper respite care service up and running, for which the HSE would provide the funding and in which every penny would be accounted for.

Another vital issue concerns the need for an interdepartmental survey of respite care services and the breakdown between the services and the HSE. In my area I have tried to get a picture of what the services are like and who avails of them. There are many people who would gladly avail of respite services if they were available to them.

Acting Chairman (Senator Paul Bradford): The next speaker is Senator Sean D. Barrett who will be followed by Senators John Gilroy and John Crown. By order, we are due to conclude the debate at 5.45 p.m.

Senator Mary M. White: Excuse me.

Acting Chairman (Senator Paul Bradford): The Senator may speak privately with me. I have called Senator Sean D. Barrett.

Senator Mary M. White: On a point of order, we are living in a democracy.

Acting Chairman (Senator Paul Bradford): Yes.

Senator Mary M. White: I have been elected to the Seanad three times. I demand two or three minutes speaking time. If I am not given time, I will quit the Seanad. I have never heard such nonsense.

Acting Chairman (Senator Paul Bradford): We are due to conclude Second Stage at 5.45 p.m. Let us see what progress can be made.

Senator Mary M. White: This is nonsense.

Senator Sean D. Barrett: Among the many important points made by the Minister was the one relating to the increase during the boom era to approximately 16% in the number of people in receipt of disability, invalidity or other illness benefits. It appears in retrospect that in an economy in which there is full employment the welfare economy gains. The Minister is trying to correct this problem through the introduction of a welfare system that directs people towards work, rather than permanent welfare payments.

The IMF report of September 2012 states Ireland's spend on social welfare benefits is approximately 29% above the OECD average. It is also 12% higher than the OECD-EU average. The welfare spend more than doubled between 2000 and 2011. People have referred to the meanness of the United Kingdom in terms of some of its welfare benefits. The United Kingdom ponied up 3.8% of the €85 billion which was needed to rescue Ireland and we are still borrowing €13 billion per annum. We ought to be a little more careful in our comments having received money under a rescue programme from the United Kingdom which we used to pay child benefit at higher levels than are available in the United Kingdom. It must be realised that Ireland remains in dire financial straits. Its presentation in the media abroad as a country which has stinted on social welfare benefits is not borne out by the facts. In terms of how we allocate these benefits, several Senators have raised questions such as why the respite care allowance is not means-tested and child benefit is not included in taxable income or means-tested. There are elements of the Minister's Department which in the past were always keen to have as big a social welfare sector as possible. The opening statements in the report of the Department of Social Protection always referred to the millions of people who were dependent on it. Perhaps they might not do so in the future. We should target our resources at where they are most needed, as echoed throughout this debate.

According to the IMF, our bureaucratic costs as a percentage of national income are among the highest anywhere. There is an entitlement culture, even among those whose incomes are way above average. There is a tax avoidance culture, against which the Minister has written and about which she has spoken. There is also a lobbying culture which operates away from the facts of how we are trying to cope with the operations of the economy at such a difficult time in managing the public finances. There are many items Cabinet Ministers should have addressed before the benefits attacked in the Bill were targeted. For example, the budgets for the Attorney General's office and the office of the Minister for Finance have increased by 11.6% and 16.5%, respectively; the budget for the Department of Foreign Affairs and Trade has increased by 9.2%; the Exchequer pay bill in the Attorney General's office has increased by 12.2% and for the office of the Minister for Finance by 14.3%. Of 40 pay budgets, 21 have increased at a time when we are supposed to be cutting back on public expenditure and directing money to where it is needed.

There is a need for a greater focus in our budgeting on those in greatest need. We need to move away from some of the expenditure items which, by international standards, remain high. The Government must continue the reform package it commenced when it assumed office in the spring of last year. There is a lot more to be done because, as stated by the Minister, we continue to borrow €13 billion per annum. Being told that if the Government had a surplus, it could do A, B or C is irrelevant. We do not have a surplus.

Acting Chairman (Senator Paul Bradford): I thank the Senator for his co-operation and appeal for co-operation from the next speaker, Senator John Gilroy, in respect of the time available to him.

Senator John Gilroy: I wish to share time with Senator James Heffernan.

Acting Chairman (Senator Paul Bradford): Is that agreed? Agreed.

Senator John Gilroy: I am concerned at the tone of the debate in that the Opposition is clearly portraying that the right thing to do is to vote against the Bill. The right thing to do is the difficult thing. Previous Governments in the 1980s, including Governments of which the

Labour Party and Fine Gael were part, failed to make difficult decisions, thereby extending the period of recession to the great detriment of the country. The Government has had to make some awful decisions in the budget. It has no choice but to do this and it will be for the best. I will have a great deal more to say on particular issues on Committee Stage.

Senator James Heffernan: I welcome the Minister who has a difficult task on her hands. Members on this side of the House appreciate how difficult that task is.

The Labour Party needs to apologise for its failure to stand over a commitment it made. I understand other Labour Party Senators have done so. It was a mistake for the Labour Party to promise something which it ultimately cannot deliver on. I find being lectured by Sinn Féin and Fianna Fáil on doing the right thing, matters of conscience, principles and so on difficult. Principles are often easily thrown about in this House.

A blanket cut across the board in child benefit is not fair. I know of some people who can afford to go on a foreign skiing holiday after Christmas having banked their child benefit payments throughout the past year. I also know that some people save the money and use it to cover the cost of sending their children to private schools, private tuition or colleges fees. However, all of us who campaigned during the last general election heard the stories about people who had to choose between meeting their mortgage payments and bringing their sick child to a doctor. I met people whose meal most days comprised potatoes and soup. Child benefit is a core payment for many such individuals. I hope it will be possible to find a better way of administering the payment to ensure it goes to those struggling to make ends meet rather than to those who can afford to save it and spend it at a later date on a skiing holiday to the Alps or the Pyrenees. I look forward to the Minister's response and propose to support the Bill.

Senator Terry Leyden: I wish to share time with Senator Mary White.

Acting Chairman (Senator Paul Bradford): Is that agreed? Agreed.

Senator Terry Leyden: The Minister for Social Protection, Deputy Joan Burton, is certainly in the hot seat. People in Roscommon do not expect much in the way of commitments being met by the Government, given that the promises made to Deputies Frank Feighan and Denis Naughten by the Minister for Health, Deputy James Reilly, and the Taoiseach and to Senator John Kelly by the Tánaiste, Deputy Eamon Gilmore, on the retention of the accident and emergency department at Roscommon County Hospital, were broken. We are, therefore, not surprised at all. The last election was bought by advertisements such as the Fine Gael - Every Little Hurts campaign. Although Labour said it would fight against cuts to child benefit, it has brought in those very cuts. In his homily on 9 December, the parish priest for Kiltoom and Cam, Fr. John Cullen, said the cut to the carer's respite grant was the most unfair. In an article in last week's *Sunday Independent*, a former colleague, Niall Ó Brolcháin, along with his wife Niamh and son Cianán, explained what a cut of €325 meant for them. This is not a justifiable cut. We are appealing to the Minister, who I know is concerned about this issue, to come up with some solution to this matter.

Senator Mary M. White: On "The Frontline" on December 10, the Archbishop of Dublin, Diarmuid Martin, said a budget is there to serve the common good and one has to look at where there have been positive consequences, as well as unforeseen negative ones. In the case of the latter, he said one must have the courage to stand up and admit one made a mistake. This should be the case of the cut to the carer's respite grant.

Sorry, I would like to have the Minister's attention.

Deputy Joan Burton: I am listening really carefully to the Senator.

Senator Mary M. White: The Senator is a heroine of mine. When I was asked by *The Irish Daily Mail* who I had the highest regard for in politics, I said the Minister for Social Protection.

I protested with the people on the streets against the cut to the carer's respite grant. I cannot understand why a lady of the Minister's intelligence could not find €26 million savings in another area out of a total budget of €20 billion

Senator John Kelly: Will the Senator tell us where?

Acting Chairman (Senator Paul Bradford): Senator White without interruption.

Senator Mary M. White: Last year, the Minister for Education and Skills had the courage to reverse the DEIS cuts when thousands of children protested outside Leinster House with their teachers. Unfortunately, many carers are not able to hold such a protest. The Minister's future leadership of the Labour Party will be carved in stone if she has the courage to reverse the carer's respite grant.

Senator John Crown: I know the Minister is not an uncaring, unthoughtful or unkind person. However, the specific cuts to the carer's respite grant will come across as unkind and I believe they were not well thought through. I know it will be irritating to hear criticism from some folks who, to varying degrees, have been responsible for the predicament in which the Minister finds herself. It is difficult to maintain decent social services when one has rising demand and decreasing available resources.

I must vote against this Bill, however. All we can do is have a Quixotic attempt to defeat it. Defeat of this Bill has as much chance of occurring as the Mayan apocalypse in three days time. It is important to make a statement because the carers of the severely handicapped young, the severely disabled old and those with cancer believe so. I accept savings have to be made some place but there is an uneconomic aspect to this cut if one considers one extra day spent in hospital because there is no carer at home will wipe out the annual savings for that one person. Hospital days cost €1,000 a day in the health system. A way must be found around this cut.

Here are several suggestions the Minister can take to Cabinet to make these savings of €26 million. Every public relations contract in the public service should be cancelled along with the firing of every press secretary in the public service. Every Minister and senior executive in Departments and quangos should be made to speak for themselves on a once-a-month basis at press conferences. I would also fire most of the Health Service Executive, HSE, bureaucrats. There was a ludicrous idea several weeks ago of introducing boot camps for these HSE administrators to teach them financial management skills. Money can be found for all sorts of nonsense. I would also end mandatory retirement, as my friend and colleague Senator White suggested, as well as cutting the quangos.

I know the Government will win the vote on this Bill but I suggest the Minister goes back to Cabinet with other suggestions for the carer's cut.

Senator Trevor Ó Clochartaigh: I want to raise a point of order. As I said on the Order of Business earlier, every Senator who wants to speak on Second Stage should be given time to do this. It is very unfair that on such an important Bill some Senators have been excluded from

the Second Stage debate. It is the one issue we have all been asked to raise. Will the Leader extend the time for this debate?

Acting Chairman (Senator Paul Bradford): I appreciate the Senator's point but it is not a point of order. The House has already agreed to call the Minister at 5.45 p.m.

Deputy Joan Burton: I thank all Senators who contributed to this debate, especially those who have given their support to the measures contained in the Social Welfare Bill. People find any reductions or changes in social welfare payments difficult. Every euro in the €20.2 billion social protection concerns an individual, a family and a community somewhere in this country.

Senator Cullinane gave an example of a widowed mother of two autistic boys. Under our system, such an individual would get €33,000 per annum, gross and net. It is not a high income but a significant one. That figure also takes into account the reduction in the carer's respite grant and that housing benefits package, travel benefit and the medical card would be worth a combined €700 to that family. In practice, for many other families it would be worth more. It is not true that our social welfare payments are mean, low and miserly. They are not as significant as we might like them to be, particularly for carers. As Senator Moran pointed out, many carers have sleepless nights because their children are restless and active during the night. That is a particular burden these parents carry.

From my experience, as well as talking to Members such as Senator Moran and reading the article by the former Senator, Niall Ó Brolcháin, in last week's *Sunday Independent*, I know many want assurances about the actual provision of the respite places.

I agree with the proposal made by Senators Marie Moloney, Mary Moran and others that we need to map and audit the position in the provision of respite care places. Senator Mary White will be aware, from experience, that what carers really need, regardless of whether they are looking after a elderly person or a young child, is an assurance that if they make contact with the relevant provider, they will be able to access a reliable respite care place or service. To be honest, all the respite care grants in the world are not worth as much to most carers as the actual provision of respite care services on which they can rely and which can allow them to spend time with the rest of their families or take a short break, whether in Ireland or abroad. It was for this purpose that the respite care grant, as originally designed, was meant. I will be talking to the Minister for Health and the Minister of State with responsibility for the disability sector to see whether it will be possible to develop a programme of absolute structures in respect of respite care places. As stated, I am aware that the provision of such places is the most important aspect of this matter. It is really important to families who are caring for elderly relatives that these individuals can be placed in a nursing home, a community care home or one of the older public hospital facilities - perhaps for as little as two days or up to a fortnight - and that they can have check-ups, etc., while they are there. I agree with the proposal made in this regard.

Senator Marie Moloney asked whether it would be possible to use some of the additional 10,000 places, particularly those relating to the Tús and community employment schemes, in the context of extra provision. Many community employment schemes provide preschool and after-school services. They also provide a wide range of services for older people. I would welcome proposals from organisations, associations and community employment schemes which provide services for younger and older people and families which require support in respect of the additional places being provided. It is up to the former to bring forward such proposals which I will be happy to discuss with them.

I inform those Senators who, in all good conscience, feel obliged to oppose certain sections of the Bill that voting in favour of a 90 day pause would not be without-----

Senator Trevor Ó Clochartaigh: On a point of order, there were Senators who did not have the opportunity to contribute to the debate because the time allocated for it had been exhausted. The Minister has now exhausted her time and the House is due to debate another matter. It is very unfair that she should be allowed to make a further lengthy contribution when others-----

Senator David Norris: I am certainly interested in hearing what the Minister has to say, particularly the points she is addressing.

An Cathaoirleach: The House agreed that the Minister would have five minutes in which to conclude.

Deputy Joan Burton: I apologise, I was not aware of the time limit. I will be brief.

If the Bill were to be paused for 90 days, the loss in respect of social welfare would be €124 million and this money would have to be made up during the remaining nine months of the year, unfortunately from the budget of the Department of Social Protection.

Senator Thomas Byrne: That did not apply in the case of the Minister for Health, Deputy James Reilly, when there was a budget overrun in his Department and across the health service.

An Cathaoirleach: The Minister to conclude, without interruption.

Deputy Joan Burton: The loss of PRSI income would be €22 million per month, while the loss in terms of expenditure savings would be €15 million per month. The total loss over the 90 days would, therefore, be €124 million.

Senator Thomas Byrne: That did not happen in the health service.

An Cathaoirleach: The Minister to conclude, without interruption.

Deputy Joan Burton: I am merely saying that-----

(Interruptions).

Senator Thomas Byrne: The Department of Health was given a Supplementary Estimate. Why should the position in respect of the Department of Social Protection which deals with the most vulnerable in society be different?

An Cathaoirleach: The Minister to continue, without interruption.

Deputy Joan Burton: Senator David Norris made some really important points and I am merely highlighting the fact that there would be financial consequences in voting in favour of a 90 day pause. It is for Senators to make a judgment on the importance of these consequences.

Senator David Norris: On a point of order, the Minister is incorrect in stating the entire 90 day period would apply. If, during that time, the Government agreed to what we are seeking, it would not apply in its entirety.

An Cathaoirleach: That is not a point of order. Senators should allow the Minister to conclude, without interruption.

Senator David Norris: The Government has an opportunity to meet our concerns.

Senator Terry Leyden: That is correct.

An Cathaoirleach: The Minister should be allowed to conclude, without interruption.

Deputy Joan Burton: Senators James Heffernan, John Kelly and others referred to child benefit. I have undertaken to publish with the permission of the Government the Mangan report at the end of January. The report highlights a number of difficult choices to be made. I will be returning to the House to discover whether Senators are willing to engage with some of these choices which include taxing child benefit for those on higher incomes. This would have implications for heavily indebted young families with large mortgages.

An Cathaoirleach: I ask the Minister to conclude.

Deputy Joan Burton: Another of the choices relates to means-testing. In the North the consequence of such testing is that no one who earns more than £60,000 can receive child benefit. The report also refers to the creation of a two tier payment structure. In that context, it is most important that we maintain the incentive for all members of families to go out to work.

I disagree with Senator Jillian van Turnhout on one matter. We are recovering money at a moderate rate from people who have been scamming the social welfare system. At present, such money is only recoverable at a rate of €2 per week.

Senator Darragh O'Brien: We have tabled amendments on this matter with which we can deal on Committee Stage.

Deputy Joan Burton: It would not be unreasonable to increase the rate of recovery to €10, €15 or €20 per week.

An Cathaoirleach: I ask the Minister to conclude.

Senator David Norris: The Bill does not make any distinction in this regard. Everybody will be in the same boat. This aspect of the Bill is completely unconstitutional

An Cathaoirleach: The Minister's time is exhausted and she must conclude.

Deputy Joan Burton: The social welfare system is brought into disrepute when we cannot-----

An Cathaoirleach: I am sorry, but the Minister's time is exhausted.

6 o'clock

Question put:

The Seanad divided: Tá, 34; Níl, 22. TáBacik, Ivana.Barrett, Sean D.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.Keane, Cáit.Kelly, John.Landy, Denis.Moloney, Marie.Moran, Mary.Mulcahy, Tony.Mullen, Rónán.Mullins, Michael.Noone, Catherine.O'Keeffe, Susan.O'Neill, Pat.Quinn, Feargal.Sheahan, Tom.Whelan, John.NílByrne, Thomas.Crown,

18 December 2012

John.Cullinane, David.Daly, Mark.Leyden, Terry.Mac Conghail, Fiach.MacSharry, Marc.McAleese, Martin.Norris, David.O'Brien, Darragh.O'Brien, Mary Ann.O'Donnell, Marie-Louise.O'Donovan, Denis.O'Sullivan, Ned.Ó Clochartaigh, Trevor.Ó Domhnaill, Brian.Power, Averil.van Turnhout, Jillian.Walsh, Jim.White, Mary M.Wilson, Diarmuid.Zappone, Katherine.

Tellers: Tá, Senators Paul Coghlan and Aideen Hayden; Níl, Senators Ned O'Sullivan and Diarmuid Wilson.

Question declared carried.

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

Senator Maurice Cummins: Tomorrow.

Committee Stage ordered for Wednesday, 19 December 2012.

Credit Institutions (Stabilisation) Act 2010: Motion

An Cathaoirleach: I welcome the Minister of State at the Department of Finance, Deputy Brian Hayes, to the Chamber.

Senator Michael D'Arcy: I move:

That Seanad Éireann resolves for the purposes of section 69 of the Credit Institutions (Stabilisation) Act 2010, that with effect as on and from the date of this Resolution, in subsection (1) of the said section 69 for the words '31 December 2012' there shall be substituted the words '31 December 2014'."

Minister of State at the Department of Finance (Deputy Brian Hayes): I thank the Cathaoirleach for the opportunity to come before the House to debate this motion. This motion seeks to extend the period of effectiveness of the Credit Institutions (Stabilisation) Act 2010, or CISA, as it is known, by a period of 24 months up to 31 December 2014. Scope for such an extension is provided for in section 69(1) of the Act, which states: "This Act (other than *sections 51 and 67*), ceases to have effect on 31 December 2012 or a later date substituted by resolution of both Houses of the Oireachtas." The motion seeks to substitute "31 December 2014" for "31 December 2012".

The motivation for the CISA legislation is expressed in the recitals set out at the beginning of the Act. These underscore the adverse impact of the banking crisis on our economy and the need, in the public interest, for strong powers to resolve the threat to the stability of the financial system generally. The preamble to the Act also highlights the necessity for the functions and powers provided under the Act to reorganise the guaranteed domestic credit institutions in the context of the National Recovery Plan 2011-2014 and the EU-IMF programme of support for Ireland.

The House is of course aware of the extraordinary and exceptional challenges that have confronted and still face our banking system and the economy. There is therefore a strong public interest in the continued availability of the extensive ministerial powers provided for in CISA

to act on financial stability grounds to effect swift restructuring actions and recapitalisation measures. The purpose of the bank restructuring measures set out in the joint programme is to ensure that the sector is proportionate to the size and the credit needs of the economy. The aim was to capitalise the banks to the highest international standards, thereby rebuilding investor confidence in the Irish banking system and in due course restoring their access to normal market funding. The objective was to facilitate a significant reduction in the domestic Irish banking system's reliance on funding from the Eurosystem and the Central Bank of Ireland and put the Irish banking system on a more sustainable funding platform.

Under CISA, the Minister may, having consulted with the Governor of the Central Bank and formed certain opinions, make four types of proposed order addressed to relevant institutions - namely, direction orders, special management orders, subordinated liabilities orders and transfer orders - after which the Minister then applies to the High Court for an order in those terms. The Minister may also issue a number of binding requirements under section 50.

The Minister for Finance may make a proposed direction order, after which he must apply to the court for an order in those terms, directing a relevant institution to do or refrain from doing any act or thing, including directions to issue shares to the Minister or his or her nominee and increase the share capital of the institution to facilitate this. The Minister may also apply for the delisting of the relevant institution's shares, alter the institution's memorandum and articles or equivalent, or dispose of a specified asset, liability or part of the institution's undertaking.

The Minister for Finance may also make a proposed special management order, after which he must apply to the court for an order appointing a special manager to take over the management of the business of a relevant institution to carry on the business as a going concern with a view to preserving and restoring the financial position of the relevant institution. A special manager will have all necessary powers to discharge his functions, including having the sole authority over the directors and employees of the institution.

The Minister for Finance can, having formed certain opinions, make a proposed subordinated liabilities order in respect of certain relevant institutions and then apply to the Court for an order in those terms. A subordinated liabilities order operates to impose burden sharing on subordinated creditors in that institution. In taking this action, the Minister may have regard to a number of specified matters, including the extent and nature of financial support provided to the relevant institution and the amount of the relevant institution's indebtedness to its subordinated creditors. Furthermore, the Minister must be of the opinion, having consulted with the Central Bank, that the making of the subordinated liabilities order is necessary to secure achievement of the purpose of CISA or for the preservation or restoration of the financial position of the relevant institution.

The Minister for Finance can make a proposed transfer order in respect of the transfer of assets or liabilities of a relevant institution and then apply to the court for an order in those terms. Transfers can only be made to a willing transferee, and to facilitate such a transfer the Minister can provide financial incentives, including payments, loans and guarantees to the transferee. CISA addresses the transfer of foreign assets and liabilities, including those situated outside the EU.

CISA provides the possibility of recognition of the domestic measures to which I have just referred by other EU member states through the mechanism available in the European Communities (Reorganisation and Winding-up of Credit Institutions) Regulations 2011, which imple-

ment the credit institutions winding up directive in Ireland. This is particularly important given that many measures entered into by Irish credit institutions are governed by the laws of other EU member states.

CISA also contains provisions to ensure there is appropriate judicial supervision of the exercise of the Minister's powers after the making of proposed orders. These include a formal requirement to obtain, in all but exceptional circumstances, a written submission from an institution prior to the exercise by the Minister of any particular power. The Act also contains provisions for court involvement in the process on an *ex-parte* basis as part of the exercise of these powers by the Minister in order to ensure that the legislation offers appropriate legal and constitutional safeguards in light of the strong powers it confers on the Minister. Certain parties can apply to the court for the setting aside of orders made under the Act, which the court can direct in certain circumstances.

CISA powers have been exercised on 12 occasions, particularly in the first six months of 2011, during which the banking system was fundamentally restructured to meet the 31 July 2011 troika targets for the system. Members will recall the announcement made by the Minister for Finance in March 2011 on subordinated debt and the range of measures he introduced on that occasion concerning the pillar banks, including the application he made before the courts in respect of junior bondholders' taking a substantial reduction on their holdings in some of the banks as part of that restructuring process. It is fair to say that the overall cost of the exercise was substantially less than the cost we had anticipated at the time, given the subordinated debt reduction and the substantial sale of the majority holding in Bank of Ireland, which most investors would not have considered conceivable at the time of the March 2011 announcement. On ten of these occasions, the use of the powers was assessed and sanctioned by the High Court as required by the Act. The most recent exercise of the powers was to enable the transfer of Irish Life to the Minister for Finance in March this year.

CISA enabled the Minister for Finance to take these essential actions quickly, efficiently and with legal clarity. The degree of restructuring of the banking sector achieved would not have been possible without the all-encompassing powers contained within CISA. Moreover, CISA was uniquely structured to prevent events of default on banks' financial instruments where restructuring intervention was necessary to achieve the Government's goals for the sector as a whole. This allowed the restructuring to take place without triggering a right for the holders of senior bonds and derivatives to demand immediate repayment or termination. I also note that the subordinated liability order mechanism under CISA was at the core of the State's ability to recover significant sums through the haircutting of subordinated or junior bondholders in the relevant institutions to which I referred. To date, every application to the Irish courts made by the Minister for an order pursuant to CISA has been successful.

A great deal has happened in the Irish banking sector since the passing of CISA in December 2010. The covered banks have continued to make overall progress under the financial measures programme, which was a rigorous analysis of the capital and liquidity requirements of the domestic banks presented in March 2011. I have made the point to the House repeatedly that the Irish banking system is now more heavily capitalised than, say, the Swiss banking sector in terms of funds following the prudential capital assessment review, PCAR, process put in place by the State. It has been hugely significant in terms of the ability of the Irish banks to do two things, the first of which is to stop the haemorrhaging of the outflows of deposits which was such a feature up to that time. Thankfully, we have now begun to see money coming back into the Irish banks, although not in a hugely significant way - I do not want to over-egg the pud-

ding - but certainly that trend has stopped. The second aspect is the ability of the Irish banks, particularly the Irish pillar banks, to obtain funds on the inter-bank lending markets, something that was not conceivable or possible and did not happen for a very long period. These banks have progressed in regard to their recapitalisation, asset deleveraging, that is, the selling of significant assets they have around the world, deposit inflows and restructuring plans. The recapitalisation of the PCAR banks, that is, AIB, Bank of Ireland and Permanent TSB, and the IBRC has been successfully completed.

In regard to deleveraging, this has been progressed well and total covered bank deleveraging of about €63 billion had been achieved up to the end of September this year. Further significant disposals have also been targeted for completion by the end of the current quarter of 2012 as part of the pillar banks' planned rundown of non-core balances.

As regards funding, the banks' positions have improved significantly. Deposits in AIB, Bank of Ireland and PTSB have stabilised, with a gain in net inflows achieved since last year; international debt markets have opened up to the Irish banks, as we have seen recently. Both Bank of Ireland and AIB have managed to raise significant funds independent of any guarantee, which, again, would not have been thought possible a year and a half ago, but that has happened and is a very positive step. As part of the EU-IMF programme, the Irish authorities submitted revised restructuring plans for all participating institutions by the end of September this year.

In regard to the eligible liabilities guarantee, ELG, scheme which was before the House recently, a working group chaired by the Department of Finance and involving both the Central Bank and the NTMA has developed a strategy to exit the scheme in a way that is consistent with preserving financial stability. The initial indications from the strategy are that a withdrawal of the ELG scheme could occur in the first quarter of 2013. When I was before the House recently, I made the point to Senators that the withdrawal of the ELG scheme would be a significant development and I hope that will occur in the early part of next year. It would be a strong signal to the banking sector that it could then return to some profitability based on its ability to obtain funds independent of any guarantee into the future. That would be part of the normal process of transformation one would expect for the pillar banks and I hope that will happen early in the new year. Depositors will be given sufficient notice in advance of the withdrawal of the scheme and any change in that regard will be brought to the attention of the Houses of the Oireachtas as part of that process. The guarantee will remain for funds that have been guaranteed until the endpoint of the time for which they were taken out. I understand a five year time limit has been set; therefore, the clock started at the beginning and will stop at the endpoint, independent of any guarantee in place.

The work carried out on the restructuring of Irish financial institutions using the various powers provided for under CISA is not yet complete. Without retaining CISA powers for another period, it is unlikely the Government would be able to be complete the process. In particular, it is expected that orders may be sought under CISA in a number of transactions, including possible further restructuring of the Irish banks that may require a direction order and-or transfer order to implement. We have seen how a great deal of progress has been made in restructuring. However, the process is not yet concluded and it is vital that the Minister for Finance continue to be empowered with the statutory authority and have very clear powers to take any remaining necessary step as may be appropriate to ensure the process is completed.

The failures in the banking sector almost brought the country to its knees. We need decisive powers to tackle the mess out of which we are getting. Extending the period of effectiveness of

CISA is imperative to being able to fully meet that objective. The Governor of the Central Bank is in agreement with the Minister for Finance that the provisions of the Act should, therefore, be available for an extended period to the end of 2014. I commend the motion to the House.

Senator Darragh O'Brien: I thank the Minister of State for bringing the motion before the House. Irrespective of whether we like it, it is necessary. The Minister of State has outlined the progress made on the stabilisation of the banks which started some time ago and which all of us welcome. My only comment is that when we note the passing of this important motion, the progress being made in the banks raising funds and that their capitalisation levels are greater than those of the Swiss banks, as the Minister of State mentioned, what is forgotten - I am not saying by the Minister of State specifically - is that we must ask ourselves what are the banks doing for the punter, the customer and the taxpayer who bailed them out. I spoke at length last year on a similar motion and nothing much has changed in that regard. Businesses still have difficulties in accessing credit. We still do not have mortgage resolution measures that we were promised would be forwarded to the Central Bank by 30 September. The banks have still not come up with cohesive policies on how to deal with that issue. In this respect, there is one nut for the Government to crack and it is not just the game changer of the Personal Insolvency Bill the Minister of State mentioned but also provision for those who are struggling to pay their mortgages. This needs to be done. Unfortunately, we are in situation where we have to do whatever is required by the banks. Things are improving, which is great, but are things improving for the punter? No, they are not. We will support the motion, but let us move to deal with the real issues affecting people. I am not diminishing the importance of the motion which we have supported since the inception of the measure. We brought it forward in the first instance and there was no question of not supporting it. However, early in the new year I would very much welcome - I ask the Minister of State directly for this - a decent and open discussion on what the banks are doing not only for mortgage holders with totally unsustainable debt but also for those who are just clinging on.

Senator Michael D'Arcy: As Senator Darragh O'Brien said, this is a necessary evil, as I would describe it. The Minister for Finance has huge powers and is extending the period of these powers by a further two years. The question that must be asked is what has he done with these powers.

It is often passed over in the narrative that, under the Act, junior bondholders with investments worth €10 billion were burned. People choose to ignore that this happened. This effectively gives the Minister a *carte blanche* to do with the banks as he sees fit.

I am concerned about the €7 billion in recapitalisation funds for the banks, primarily for the mortgage loan book. The period the funding was to cover was not specified. I presume it will apply to the entire life of the mortgage loan book. However, as we can see from the statistics of the Central Bank and other bodies, there has been practically no writing down to date. I appreciate that the banks may be waiting to see how the personal insolvency legislation will work. There is concern because, although €7 billion was invested, there was no definition in regard to buy-to-let properties, on the one hand, and the family home, on the other.

I note there is no sympathy for those who took a punt on buy-to-let properties. There will be repossession by the banks. Perhaps there will be more sympathy over the course of next year. I contend the personal insolvency provisions apply primarily to the family home, and I made this point when considering the personal insolvency legislation.

With the new powers, will the Minister be required to sanction further recapitalisation if the mortgage loan book goes in one direction, as is our concern? While there is evidence that the rate is decreasing, we do not know for certain whether this trend will continue. Will the burden of picking up the slack fall back on the shoulders of the taxpayer again? The taxpayer would certainly not be pleased with this.

Consider the position if funds are needed to recapitalise the Bank of Ireland mortgage loan book, bearing in mind that the State owns 15% of the bank and that Mr. Wilbur Ross came with private equity to take it over.

We saw the belligerent attitude of the bank towards its mortgage holders. It was not very pleasant. We also saw its belligerent attitude towards the State when it was mooted that the Parliament building on College Green be taken over in the national interest close to the centenary celebrations of 2016. As always, the banks operate in the interest of themselves, not their clients. The Government should and may act only in the interest of its citizens.

Senator Darragh O'Brien: The Senator never disowned them before the budget.

Senator Michael D'Arcy: Those of us in the Legislature should do so also.

This is a necessary evil. What can I say?

Senator Sean D. Barrett: I welcome the Minister of State. Towards the end of his speech, the Minister of State said the failures of the banking sector almost brought the country to its knees. The word “almost” might be deleted as the banks did a pretty good job in that regard. With regard to the pillar banks, are we creating a future duopoly? Might we have decided to break up the pillar banks? “Too big to fail” can mean “too expensive to save”.

When the legislation was first introduced on 15 December 2010, it was to give the Minister the powers necessary to ensure restructuring would occur as quickly as possible. That has not happened, as is evident from our having to renew the legislation. There is cause for complaint about the Irish banking system. It is still property based. Some of the banks are still lending at a rate of 70% in this regard. They do not know the small and medium enterprises but are pretending they do.

No. 24 on the Order Paper is an attempt to change our mortgage credit model to the Danish model. I hope the Minister of State's officials will brief him on it. It is a question of having Irish banks take a real interest in small and medium enterprises because they have not been doing so. Since the turn of the millennium, the banks went on a property binge and engaged in personal lending. Hardly any of the money they borrowed abroad went into industry or agriculture.

The Minister originally wanted substantial and immediate recapitalisation of banks. It is disappointing that we must renew the legislation in that case.

Part 3 of the Bill gave the Minister the power to appoint a special manager in banks. There has been dissatisfaction over the rate of attrition of managers in banks. The rate has increased somewhat but it is felt that the managers got off fairly lightly.

Part 6 provides that the overriding duty of the directors of the relevant institutions will be to the Minister for Finance on behalf of the State. Previously, the directors had a primary duty to the company. This week, the Joint Committee on Finance, Public Expenditure and Reform is to

question the public interest directors. They have all signed up to appear. As far as the public is concerned, they have disappeared. Although they are very eminent, do they talk to the public or say anything at all? We will know better after the coming two days. I am delighted the public interest directors have accepted the invitation to appear before the committee. The committee was disappointed that they appeared to go native after their appointment to the boards rather than serve the public interest. We asked the managers of the banks about the function of public interest directors. The managers regard them very much as part of their team rather than representatives of Members in this House or the other House.

Part 7 states the Minister can impose terms and conditions that relate to the non-payment of bonuses, and that the institutions concerned must comply with this. Bankers' bonuses still cause concern. I hope the renewal of Part 7 of the Bill will allow the Minister to address that.

Other provisions to be renewed give rise to concern. Sections 63 and 64 provide for the limitation of the judicial review and of certain rights of appeal to the Supreme Court. One should not interfere with the powers of judicial review or the Supreme Court on behalf of any bankers. Is it necessary to renew these provisions? I presume we would not wish to have to enforce them.

Section 75 states the right of appeal pertaining to the points which the High Court certifies for appeal to the Supreme Court is limited. Perhaps some of these measures were introduced in a hurry two years ago. People are disappointed in the banks.

The Minister of State concluded by saying the goals were to demonstrate to external parties what we were trying to do and to have profound restructuring of the banking system. How profound is it? Is the system still based on property? Does the sector have the expertise to perform the tasks the Minister of State and I would wish it to perform in regard to small and medium enterprises?

The last requirement was that we should be in conformity with the regulatory capital requirements set by the Central Bank. People see in publications that Permanent TSB may need another €4 billion. Anglo Irish Bank, irrespective of its new title, is still a highly unpopular institution. I do not know its value to the country at all.

We still have not dealt with the legacy of the Irish banking system. With regard to ghost estates, there are 82,000 empty houses. The activities of NAMA continue to annoy many Members on all sides of the House. Consider also the price of property being held up by forbearance. Senator Michael D'Arcy referred to it. He wondered why we should defend buy-to-lets and he has little sympathy for them. It means that banking may be worse than we feel that it is if those three artificial props were removed.

The late Deputy Brian Lenihan junior - and we remember him fondly - thought the crisis would be all over in two years. Instead the legislation has had to be renewed. There is still a lot of work to be done before the banking system serves the economy in the way in which every Senator wishes. Some questions need to be asked. How much of the legislation needs to be renewed? When will we have a banking system that will help the economy to grow?

Senator John Gilroy: I welcome the Minister of State to the Chamber. Last year we discussed the legislation but I had a lot of concerns then and reluctantly lent it my support. Senator Darragh O'Brien said, in his contribution a few moments ago, that it is necessary. Of course it is necessary. The way the legislation has worked over the past year has changed my concerns a

little. Hindsight is great and it is a pity that we do not have the same gift of foresight. It is a pity that the legislation was not in place when the banks ran into trouble, not so much at the time of the guarantee but from St. Patrick's Day when there was a massacre over the Anglo Irish Bank shares. It was blindingly obvious then that something was seriously wrong with our banking system, particularly at Anglo Irish Bank which suffered a collapse of 15% in shares over that weekend. The regulator responded by putting a halt to short selling but that was the extent of his intervention at the time. Perhaps if legislation like this had been on the Statute Book at the time we might have been able to act more decisively.

It has been said that the legislation has given the Minister for Finance wide-ranging and extensive powers. He could be seen as a benign dictator if he used those powers as they are laid out in the Act. It would do no harm if he acted in a less benign manner when dealing with banks. We can all see the outrageous behaviour that the banks are indulging in now with regard to their lending practices, etc. Perhaps if he bared his teeth a little more in this regard we would be better off and he would have the support of some Opposition Members.

The motion seeks to extend the legislation for another two years. Does the Minister of State think that is enough time? Will the Government be back here in two years' time seeking another extension? What will happen at the end of two years? The Government does not have the gift of foresight. Does he anticipate that the worst of the banking crisis will have passed within 24 months? I hope that his answer is "Yes". If not, does the Government intend to extend the legislation again? Will it be reviewed at the end of two years? If there are indications that it has not succeeded will the Government introduce a different type of legislation? This legislation is so wide-ranging that its effect can be anything or nothing so I would like to see more tightly focused legislation.

It is self-evident that we need to appoint a special manager but it is a double-edged sword. Is there a concern that confidence in an institution will be undermined if it is known in advance that the Government is considering appointing a special manager?

Senator Darragh O'Brien said that it is time to see real banking measures. I contend that the legislation is a real measure. We know what would have happened if we had not introduced it. The aim was to restore stabilisation in the banks and at last deposits are being made in banks again as well as new overseas deposit accounts. We have seen a substantial reduction in our tier 2 liabilities which is welcome and the banks have resumed acting as clearing houses. They can find money on the private markets again but a year ago such a suggestion would have been laughed at.

Senator Barrett made a good point about the public interest directors and said that they have become feral. Like the Minister, they should be less benign and should be feral. The Senator said that they had been domesticated but had now gone native. Perhaps it is time that the Government made a statement on the role of public interest directors because the general public misunderstands their role and I am not clear about it myself. Perhaps the Minister of State would take two minutes to outline what the Government expects the directors to do.

I shall finish even though I have more to say. I welcome the evident success of the legislation which has led to the imminent withdrawal from the eligible liabilities guarantee scheme. That is very important. It indicates the fragility of the banks. Every time that we talk about banking and withdrawing or implementing something it is important that we reassure the public. We must ensure that the House sends out a message that we are not withdrawing the deposit

guarantee scheme. It is important that we do that.

Senator Trevor Ó Clochartaigh: D'airigh muid go leor leithscéalta ó Sheanadóirí an Rialtais. B'fhéidir gur cheart dóibh leithscéalta a ghabháil arís mar gheall go bhfuil siad ag tacú leis an rún seo, mar ní amhlaidh a rinne siad nuair a bhí siad sa bhFreasúra. Is léiriú eile é seo ar na U-castaí breátha atá Seanadóirí an Rialtais ag déanamh inniu sa Seanad.

Two years ago Fianna Fáil, at the height of the last Government's unpopularity, pushed the Act through the Houses of the Oireachtas at breakneck speed. The Act, alongside the banking guarantee, was a key pillar of Fianna Fáil's disastrous banking policy for which we are all still paying the price. Sinn Féin rejected it then and pointed out how dangerous the Act was. It contained a sunset clause which shows how controversial it was. The Act gave sweeping powers to the then Minister for Finance, the late Deputy Brian Lenihan. As Deputy Michael Noonan, then in opposition, correctly pointed out:

I am concerned about the role of the Governor of the Central Bank under this legislation. I would have expected resolution legislation to have conferred the special powers on the Governor of the Central Bank, rather than on the Minister. In this Bill the special powers are conferred on the Minister on all occasions. There is a section which states that the independence of the Governor of the Central Bank is not affected, but the powers taken by the Minister and the lack of additional powers being given to the Governor of the Central Bank are quite noticeable.

Senior bondholders should have been taken to the barbers at that time and given a haircut. The sentiment was echoed by Deputy Leo Varadkar at the time when he said:

It does not contain any provision for the restructuring of the debts of senior bondholders, particularly those who are not under the guarantee. There is perhaps up to €16 billion of taxpayers' money that could be saved by imposing losses and haircuts on those bondholders. That is the key change of policy that needs to happen when we have a change of government in this country because the people are not responsible for the debts of those banks and should not be held liable for them. That is the big lacuna in this Bill.

The Fianna Fáil banking policy failed because it protected the banks at all costs. It was a bad policy then and it is a bad policy now. We know that the banks are still not lending to the real economy yet squeeze customers who simply cannot afford to pay their mortgages. They are spinning the numbers and recycling lending. They are not doing what they should and that is lending to the real economy.

In 2010 Fine Gael and the Labour Party did the right thing and rejected the legislation as being bad and rushed. Deputy Joan Burton, then the Labour Party's finance spokesperson, echoed the sentiments by stating:

Today's stopgap Bill is too little, too late. It is too late because the horse has bolted since the expiry of the original bank guarantee, and too little because it does nothing to address the treatment of liabilities other than subordinated bondholders. It fails to address the issue of senior bondholders now out of the guarantee, the debts for whom amount up to €20 billion.

Today the Fine Gael and Labour Party Government seeks to extend the Act. We shall vote on an extension of a failed law. It has clearly failed as bank lending shows yet the Labour Party and Fine Gael are asking us to extend the legislation that they opposed under a Fianna Fáil

government. Section 69 is designed to let the Act slip into history and it should be allowed to. Sinn Féin will do what it did in 2010 by rejecting this bad legislation and I hope that others will show consistency too.

Senator John Gilroy: What did Sinn Féin do in September 2008?

Senator Trevor Ó Clochartaigh: The last Government's banking policy landed us in this mess. Why does the Government that came to power on a so-called democratic revolution continue the same policy? Ba chóir don Seanad cur i gcoinne na reachtaíochta seo. Mar a fheicimid, níl an chreidiúint ag dul go dtí na gnóthaí agus níl an Rialtas ag déanamh aon rud le sin a chur ina cheart. Droch reachtaíocht atá ann agus a bhí ann. Ba chóir dúinn cur ina coinne.

Senator Brian Ó Domhnaill: Our finance spokesperson, Senator Darragh O'Brien, indicated at the outset that we will support the motion; that is our consistent approach. When anyone speaks about banking they say that the major issue affecting people is the pressure banks are putting people under and the lack of lending in the economy. The Government has provided support to the banking sector in this State but that support is not being replicated through lending to the citizens. The banks are not making money available in cases where it should be made available. The only people lending money at the moment, whether in the small and medium enterprise sector or to individuals trying to upgrade their homes, for example, is the credit union institution.

The banks have questions to answer, and I agree with Senator Gilroy who asked about the public interest directors who sit on the boards of these banks. The irony of the role of the public interest directors is that they have a fiduciary requirement to the bank but they are supposed to represent the taxpayer, and I am not sure how they can balance both responsibilities effectively and efficiently on behalf of the taxpayer. I do not believe it can be done and therefore the State, and the Department of Finance in particular, has an enforcement role that is not being expedited as effectively as should be the case.

The issue of bankers' pay arises but that is only one part of the problem. There are 27 bankers in the State in receipt of remuneration of at least €500,000. One hundred and sixty seven former bankers employed at a senior level are in receipt of pensions of over €100,000. At the same time those banks were providing loans to individuals based on available valuations but if a bank provided a loan on a property of, say, €200,000 and that person is now in negative equity and mortgage arrears, the bank has at least some responsibility to help cover the cost associated with the repayments of that loan if the individual concerned cannot meet the repayment.

One in four mortgage holders in the State is struggling and nothing is being done to support those mortgage holders. While we are happy to support this motion the Government must take cognisance of the fact that 25% of mortgage holders are struggling. The banks will put additional pressure on them in the new year, as we heard last week, and that will exacerbate the problem.

On the issue of the payment caps and the ongoing review, I understand Mercer's have been commissioned by the Minister for Finance to undertake a review of the salaries being paid in financial institutions and that that report was due back before Christmas. What steps, if any, will the Minister of State or the Minister for Finance take to implement any recommendations in the report? If he finds that the report is weak, would he be willing to consider bringing forward legislative proposals to legislate for bankers' pay in the State in the new year because it is

an issue that must be addressed?

The current chairman of AIB was directly involved in the HSBC scandal which rocked America in recent months where over \$2 billion was paid back by that institution to the American Government after a report which was commissioned by the United States Senate. The individual who is now the chairman of AIB was named and damned in that 330 page report. I have read some of the report and my question is whether the Minister, following that report which I am sure his Department has read, has full confidence in the current chairman of AIB Bank.

Minister of State at the Department of Finance (Deputy Brian Hayes): I thank all Members for their contributions which we very much welcome. It is fair to say that the task facing this Government is to get the banks out of the accident and emergency ward and into the real economy where they can become profitable and start lending again and, most important, we get our money back from them. I was before a finance committee meeting last week where I made the point that more than €20 billion has been taken from the National Pensions Reserve Fund. That is our money and we want to get it back because that money has gone directly into the pillar banks in the first phase of recapitalisation, with other money, and therefore it is in all our interests that we get that money back over a period.

I very much agree with the comments made by a colleague of Senator Barrett, Mr. Colm McCarthy, in University College Dublin who has said repeatedly that if we have a single currency there must be within that single currency a means through which we can resolve banks that go bust in a collective way. America has a federal system where effectively banks that go bust because of bad lending policies are propped up and reserved by the totality of the lending that goes on within that federal system. Europe has gone through this contortion of recent years because we have not had in place a single supervisory system, a proper means of resolution on an EU-wide basis, and a deposit guarantee scheme in place.

In the next six months Ireland, as President of the European Union, will play a pivotal role in the way we bring forward the next two steps towards banking union. The agreement to have in place the European Central Bank as the single supervisory system is a crucial decision taken last week but now we must go on in terms of agreeing a resolution system and a deposit interest guarantee system which will underlay and retrofit the essence of having a single currency, about which the Minister for Finance has spoken. I agree with Mr. Colm McCarthy who has spoken about that. We must have within a single currency a single means of resolution, a guarantee and supervision. We have not had that in Europe and we are now retrofitting the entire system to put that in place.

I agree with Senator Michael D'Arcy who spoke about a necessary evil, and Senator Gilroy said it was a pity we did not have this in place when the collapse occurred but we did not because we all believed that the banks would continue on their merry way. Extraordinary lessons have been learned from that and that is the reason it is important that this necessary evil remains in place.

Senator Gilroy asked when I envisaged this coming to an end. As I said to the House recently, the Government is confident that the eligible liabilities guarantee, ELG, scheme will be brought to an end in the first part of next year. That will be a substantial shot in the arm for the pillar banks in terms of returning them to profitability but we would still need to have this power in place to ensure that if things were to go wrong again the Minister for Finance would have the powers to take the steps required in terms of guaranteeing the public interest. In the long

term, however, one would hope to see an over-arching European Union scheme in place which would give this country, and other countries within the eurozone in particular, a guarantee in that respect.

My old friend, Senator Ó Clochartaigh, referred to the commitments made before the last election. I want to inform him of what we committed to at that time. We committed to restructuring the Irish banking system, and the first announcement made by the new Government in coming into office in March 2011 was exactly that following the results of the prudential capital assessment review, PCAR, test. The second commitment we gave was that junior bondholders would take a bath, so to speak, and they have taken a substantial bath in that between €7 billion and €8 billion has been successfully transacted in terms of that announcement in March 2011.

7 o'clock

The third commitment we gave, while wanting to deal with the issue of senior bondholders and attempting to negotiate it, in our election manifesto, was that we would not take any unilateral action in this regard. I remember it well because I was beside the Minister for Finance, Deputy Michael Noonan, as the deputy finance spokesperson in opposition. Why did we say that? We said it because the very funders who are keeping the country afloat, the ECB system which is continuing to fund emergency liquidity into the Irish banking system, and the view of those countries and, in particular the majority of the ECB, is that it should not happen. I agree with the Senator that there remains a legacy issue. That is what the Government is attempting to negotiate with our EU partners, the unique legacy issue that Chancellor Merkel and President Hollande have accepted needs to be resolved for Ireland. This is a work in progress. We have attempted to work this out since coming to office and both parties have shown a strong determination to get the country to a better place by renegotiating the debt position as a result of the legacy debts left by Anglo and other institutions. We are determined to get a result for the country by diplomacy and clever political actions but not by throwing the baby out of the pram and certainly not in the circumstances where the national funding required for the country and the funding required for our broken banking system is coming from third parties who do not want us to do such a thing. We remain hopeful that we can get the deal required.

Everything we have done since coming into office has been in terms of the solid commitments we gave before the election as can be judged against that background. I refer the Senator to our banking policy paper published in the manifesto a month before the last election and he will not point out one difference between what we said we would do in opposition and what we have done in government. That is a test I put to him during the Christmas period if he is sitting in front of the fire. He should take out our banking policy before the election and test it against what we have done. We said we would introduce massive restructuring and we have done that. We now have pillar banks. We have a very substantial Department of Finance which has broken away with a new Department and has a strongly focused banking unit within it which deals on a bilateral basis with all of these banks on a daily basis. All the old directors are gone. We have had significant deleveraging of the banks, significant bank assets have been sold off and we have a much smaller banking system, as set out in our banking policy announced before the last election. The objective is to move the banking system from intensive care into a more normal arrangement where we can get funds back into our banks on a consistent basis.

Points have been raised about the review issue. A review of bankers' pay and bonuses is under way by Mercer which I understand has yet to come to the Department of Finance; the objective was by the end of this month. Obviously it will be a matter for the Minister for Finance

in the first instance to reflect on that review and to bring it to Government in due course. We also said we would do that in March 2011 - we have done it. It is a matter for Government as to when it will be published but I hope the review will meet the time in terms of what is required for bankers' pay and bonuses into the future.

I have noted comments made by colleagues on all sides concerning the public interest directors. As Senator Ó Domhnaill mentioned, they have a fiduciary requirement in that under company law they are responsible for the interest of the bank or the company but equally they have responsibilities on behalf of the public interest. It is that balance they have got to strike in a circumstance where they do not report to the Minister for Finance on an annual or daily basis. That is not their task; their task is to get the balance right between bringing the banks, of which they are members of the board, to a healthier position and representing the public interest. I look forward to their engagement tomorrow at the Joint Committee on Finance, Public Expenditure and Reform. Since coming to office, the Government has not appointed any new public interest directors. It is fair to say there is an open debate between the Department, the Minister and the Government about the role of the public interest directors and about their ambition and what they are at on a constant basis. The Minister for Finance is open to hearing the views of the committee and Members of the House on the future role and objective of the public interest directors in a context where we have not appointed any of them. This is not a diminution of the people in question who are of high standing and the role they play but there is an open debate on this question. We would appreciate the views of colleagues on all sides in coming to a considered view as to the future role of public interest directors within the pillar banks.

I have answered the question on the review. I agree with colleagues that the job of the banks is to go back to their traditional task which is to lend with prudential risk, to get money into the real economy. We have given them a mandate of investing €21 billion over three years for each of the pillar banks into the real Irish economy. We have given them the task of getting their mortgage books into a better state, about which we are all ambitious. We will begin to see more progress next year once the insolvency Bill is through and the agency is working.

I have taken a great interest in what the banks have said in their submission to the Central Bank concerning the new schemes which will be put in place. They need to get on with the task in 2013. I agree with the Governor of the Central Bank who spoke about the need for the banks to get on with the task of writing down some of the debt on a case-by-case basis where they believe that is appropriate. The tools are in place through the insolvency legislation, therefore, there can be no more excuses. It is worth saying that the banks have met their target so far. Much of that lending is for the purpose of restructuring existing businesses. Colleagues appear to think that is not new lending. It is new lending, because without that restructuring many of the jobs within those businesses would go belly up. We have got to get the balance between absolute new lending when it comes to SMEs and restructuring existing debt to ensure those businesses can remain viable. The Government has also put in place the micro loan financing scheme and the loan guarantee scheme as a means of helping those businesses that cannot get credit from the banks.

As to the future of the CISA we will have to wait and see. This is a long process. The progress made so far is leading to a more normalised banking system. I note that according to the *Financial Times* Mr. Draghi of the ECB is the man of the year, I do not disagree with that selection. He gave the banks across Europe three year funding at 1% and has consistently argued that one of the roles of the ECB is to buy up national bonds and debts. Both policies appear to be working well. When comparing the situation in December this year to December

last year, are we in a better place? Yes, we are. Is Europe in a better place? Yes, it is. Have we seen progress in the past 12 months? The six pack, the two pack and the fiscal treaty are in place and now there is agreement on a supervisory system and much more detail to come. Enormous progress has been made during the year.

In December 2011 people asked how many weeks Greece had got to go before it was out of the euro. That question no longer applies. The Greek issue has been resolved somewhat in terms of the new funds that have been put in place. We are in a better place across the eurozone because of the actions taken by the political leadership across the euro area. We are definitely in a better position because our banks have been well capitalised and have the funds and the means through which to get lending going again. It is that nebulous confidence trick that is required not only to get lending going again but for lending to be drawn down. There is little point in banks making funds available to businesses if they do not draw it down. The Credit Review Office has consistently made the point that it is one thing for the banks to make moneys available, it is another for businesses to draw it down.

We saw the figures published today by the Department of Finance showing growth in GDP and GNP. Our projections for this year have come in on target in terms of growth. We are hopeful that next year we will see a significant improvement in GDP figures which will have an impact on the domestic economy. The big task is to get people back to work as a result of the shock of some years ago where effectively 12.5% to 13% of GDP was knocked out over three years. That is the task the Government faces in working with the banks to achieve what we want. This motion is an essential pre-requisite to that in terms of giving significant powers to the Minister for Finance to take the measures he has to take. These are the big stick powers required if a situation like this re-emerged.

Question put.

Senators: Vótáil.

An Cathaoirleach: Will the Senators claiming a division please rise?

Senators David Cullinane and Trevor Ó Clochartaigh rose.

An Cathaoirleach: As fewer than five Members have risen I declare the question carried. In accordance with Standing Order 59, the names of the Senators dissenting will be recorded in the Journal of the Proceedings of the Seanad.

Question declared carried.

An Cathaoirleach: When is it proposed to sit again?

Senator Maurice Cummins: At 10.30 a.m. maidin amárach.

An Cathaoirleach: Is that agreed? Agreed.

Adjournment Matters

Job Creation

Senator Michael D'Arcy: I welcome the good news for Wexford in the announcement that Eistech is to create 250 new jobs in the town. However, this is the first piece of good news for County Wexford in a very long time. The figures for my county are stark. Unemployment stood at nearly 25% at the end of the second quarter, which is one of the worst rates in the country. According to the figures from census 2011, almost 13% of heads of household in the county are unemployed, which is the second highest rate in the country, and the youth unemployment rate, at 47%, is the third highest in the State. The Minister for Jobs, Enterprise and Innovation indicated while giving a presentation at a south-east forum that County Wexford received only three out of the IDA's 33 visits to the south east to attract foreign direct investment. This is extremely disappointing in light of the statistics I have outlined. Wexford is one of Ireland's largest counties and we are perceived as doing quite well because we are on the eastern seaboard and located relatively close to Dublin. Three visits from the IDA do not instill confidence for the prospect of foreign direct investment in the county, however. I look forward to hearing the Minister's response.

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): I thank Senator Michael D'Arcy for raising this issue. In the aftermath of the closure of TalkTalk last year I established a special group to focus on the south east because I recognise that it faces serious problems. The structural rate of unemployment is much higher than elsewhere and the wave of investment which preceded the Celtic tiger years passed the region by. The problem is not solely one of IDA companies, however. The issue of regional development is broader than what at the end of the day comprises less than 8% of the total workforce nationally. We must consider how best to utilise the region's many strengths and get the various groups to work together.

In the context of the action plan for jobs, Senator Michael D'Arcy and I recently attended a meeting to discuss progress in the south east. While everyone recognises the significant problems that persist in the region, we have made an impact. The IDA has paid much more attention to the south east, with the number of visits to the region increasing to 33 from 13 in the previous year. IDA companies made three visits to Wexford, in addition to two visits by foreign companies under the food rubric of Enterprise Ireland. This compares to a total of two visits over the previous five years. While the number of visits could be said to be low, it is a dramatic improvement on what was previously the case.

The Senator acknowledged the welcome announcement by Eistech. We need to examine sectors in which it is possible to develop regional strengths. We have seen that with Eistech, which is an aggressive, growth-oriented company led by dynamic people. The company was established a mere 12 months ago with nine employees but it now employs 400 and is committed to employing an additional 250 in the south east. This is the sort of indigenous company we need to nurture and grow.

While we will continue to focus on investments by IDA companies in the south east, we must also build the region's strengths and nurture indigenous enterprise. As part of the action plan for the south east, all of the agencies have examined their existing portfolios of companies to determine whether they had the capacity for expansion, and some did. We also investigated the new start-ups and allocated competitive start-up funds. These companies have generated new projects which we hope to develop further as job-creating projects. This is a broad-based strategy and, while I acknowledge there is a long way to go, we are seeing a real effort by the

agencies and a focus on an area that must contend with structural problems. With the collaboration of agencies in my Department, along with education institutions and local authorities, we will build a coherent response to the challenges in the south east. That is my ambition and I will continue to meet local representatives from the area to maintain focus, register progress and enlist the support of a wider range of groups in the south east.

Senator Michael D'Arcy: I appreciate that progress has been made but I am making the point that the biggest county in the south east, which is Wexford, has had three visits from IDA companies. The Carlow and Kilkenny area have a similar population but they received six visits. Waterford received 25 visits. I never wanted to take a bite out of another person's sandwich but I do not want others to eat my sandwiches. That is what is happening at present. I accept the need to develop a cohesive overall strategy but the Minister cannot ignore Wexford, the black spot within the black spot. My role is to achieve the best outcome for my area but the figures speak for themselves. Three visits in 2012 are not enough and I expect more.

Deputy Richard Bruton: Announcements about the creation of 250 jobs were not made in many counties over the last 12 months. Wexford is not being neglected in any sense by my Department or my agencies. However, we have to exploit the strengths of the overall region by building the resources available in gateway cities such as Waterford. The IDA's strategy focuses on gateways and hubs. It is important that we expand our focus beyond the IDA companies, which help to build clusters of strength, because indigenous companies can also play an important role. We are seeking to adopt a balanced approach. We would like to see more activity in Wexford and, given the work we have done over the last 12 to 18 months, I am hopeful that we can make progress over the coming 12 months in respect of the needs of the south east. I commit to the dedication of our agencies and my Department in respect of the south east to deliver something in this area. We recognise that there are structural problems which do not apply elsewhere in the country and that the area needs a focus at this time.

Health Services Staff Recruitment

Senator Colm Burke: This motion relates to the appointment of a paediatric urologist. My understanding is that for children who have spina bifida and hydrocephalus there is a severe difficulty in accessing vital urology services. My understanding is that the post of paediatric urologist was advertised but not filled and that while one person was interested in the post the position was not taken up, although it was offered. My understanding is that in the long term because it is a specialist area the likelihood of the post being filled is remote. My understanding is that the Great Ormond Street Hospital for Children in London has offered to provide backup support and that there is a need for a more co-ordinated approach between the HSE and Great Ormond Street. I am highlighting the issue because of parents of children in the Cork region. At one stage they believed the problem was going to be resolved and that there would be a centre in Dublin to deal specifically with the matter.

It appears that the necessary backup support that the parents require is not in place and there is a need for a proper structure. The set up is rather disjointed at the moment and they are concerned about this, especially for the long term. Urology is a specialist area and it needs particular attention. If treatment is provided to children at a younger age then the problems that arise can be dealt with far more effectively later on. This is the reason the parents are particularly keen for a more co-ordinated approach between the HSE and Great Ormond Street to deal with

the matter for the entire country.

I realise several additional paediatric consultants have been appointed in the past 18 months but none of them has this particular speciality. At a meeting of the Joint Oireachtas Committee on Health and Children I asked whether some of the existing paediatricians could train or acquire the necessary skills. I understand there is a reluctance to proceed in this way. This is a particularly significant problem for the parents concerned. Can we arrange for a more co-ordinated approach?

Minister of State at the Department of Finance (Deputy Brian Hayes): I thank Senator Burke for raising this matter and for the way in which he has done it. I apologise on behalf of my colleague, the Minister for Health, Deputy Reilly, who is unable to be in the House this evening. As Senator Burke noted, this is an important issue. I understand Ireland has the highest incidence of spina bifida in the western world and therefore it is important that this issue is highlighted in the House. Were the Minister here he would say that this is a complex issue concerning physical disability. Children with spina bifida have multiple problems caused by the condition. The majority of children and adults with spina bifida have hydrocephalus, to which Senator Burke referred.

Best practice recommends that multiple professionals are involved on a spina bifida team. We know that on average 30 children per year are born in Ireland with open spina bifida, the most severe form. I am aware that early intervention by a specialist and local team is essential to optimise the long-term functioning of these children and to prevent medical complications later in their lives. The Children's University Hospital, Temple Street is the national tertiary care centre for spina bifida and hydrocephalus. All infants born in Ireland with spina bifida are transferred to Temple Street after birth for ongoing neonatal management. The model of care being developed by the HSE involves sharing care between the specialist team in Temple Street and the local team. The best care should be provided nearest to the patient's home with guidance and support from the specialist team. However, it is acknowledged that there are many complex issues which are best managed by the specialist team.

A multi-disciplinary spina bifida clinic was established in Temple Street last year in February 2011. However, I am advised that there has been no dedicated urological input to date. A recruitment process was under way in 2009 and 2010 from which the hospital had hoped to recruit a urologist. Unfortunately the recruitment process found no suitable candidate for the post. However, a new recruitment process is in train and it is hoped that the post will be re-advertised before the end of the year. The HSE is hopeful that the new recruitment process will succeed in hiring a suitable candidate.

As an interim arrangement, children requiring urgent urological input are prioritised clinically and seen in the United Kingdom under the treatment abroad scheme. Where a patient is refused access to the treatment abroad scheme the hospital is currently in final negotiations with St. George's Hospital in London with a view to having that hospital treat children pending the appointment of a permanent urologist. Arrangements are currently being made to have a consultant visit from the UK to cover clinical priorities here. In addition to the consultant urologist post, other key staff will also be required to develop the model of care, including, for example, in the areas of occupational health, continence, nurse management and orthopaedic surgery. A business case is currently being developed by the HSE to progress the matter. The Government is acutely aware of the challenges that patients with spina bifida and their families face in managing their condition. I am committed to providing the best possible health service

and will continue to work with the HSE to ensure the best possible outcomes for these patients.

Senator Colm Burke: Basically, this is an issue about co-ordination. A parent who contacted me said that in the Cork area there has been a failure to provide regular and comprehensive kidney and bladder assessments to ensure early detection of problems in renal function. This problem needs to be addressed immediately. The failure to address the problem will lead to increased numbers of people with renal failure and they will require dialysis for the rest of their lives at a great cost to the State. The parent concerned has suggested that even the simplest of procedures which should be available is not available in the Cork area at the moment. Will the Minister of State relay this to the Minister for Health? I will write to the Minister myself on the matter. However, there seems to be a falling down in the follow-up. The service is not available in Cork and I presume that is because the unit in Dublin is under pressure as well as there being a difficulty with trying to co-ordinate with London.

The post of paediatric urologist is a specialist function. I realise the HSE intends to re-advertise the post but with all due respect the likelihood of the post being filled is rather remote. I am being blunt about it but this is the word I am getting from the medical profession. We need to consider the long-term plan for the next three or four years. We should plan now rather than live in a false sense of hope that the position will be filled and I call on the Minister to ensure this.

Deputy Brian Hayes: The Senator has raised two issues. As I said in my remarks on the first issue - this is the view of the Department of Health and the Minister as well - basic testing should be done locally. There is no reason that cannot happen and certainly I will bring to the Minister's attention the comments made by the Senator concerning the difficulties in Cork. It is not acceptable that patients would have to travel extensive distances for what are basic tests such as those necessary in the cases he has highlighted.

The second issue relates to the re-advertising of the paediatric urologist post. I have heard what the Senator has had to say. It is a serious matter if an appointment cannot be made. Although I do not wish to prejudge the matter, we cannot allow a hiatus to develop such as what has occurred in recent years whereby no systems are in place while we are waiting for a permanent post to be filled. The suggestions the Senator has made whereby while the post is being filled a more permanent relationship is developed between the hospital in London and the authorities here in Temple Street will be of great value and I will certainly bring it to the Minister's attention.

Architectural Heritage

Senator Michael Comiskey: I welcome the Minister of State to the House this evening.

I want to ask the Minister whether plans are in place to provide funding for the development of tourist facilities at the residence of Seán Mac Diarmada, one of the signatories of the 1916 Proclamation. The house is in the same condition today as it was when Seán Mac Diarmada left it. It would be a major tourism boost for the Kiltyclogher area. The roof will need to be repaired, although some minor work has been carried out. The site would need parking and toilet facilities. In view of the fact that the celebrations for the centenary of the Easter Rising will be held in 2016 and The Gathering will be held next year, the development of the house would bring more tourists to north Leitrim.

Deputy Brian Hayes: Such works would come under my responsibility as Minister of State with responsibility for the Office of Public Works. I am grateful to the Senator for raising this matter. My understanding is that the Mac Diarmada family residence is located in a rural part of County Leitrim near the village of Kiltyclogher. The site contains a collection of buildings centred around a traditional farm cottage residence and including a number of farm outbuildings. The entire complex represents a very fine example of a vernacular farmstead typical of the era. It comes under my responsibility as it is formally listed as a national monument in State care.

The property is in the ownership of the State and is cared for by the Office of Public Works national monuments service. The Mac Diarmada homestead buildings are in generally good condition and do not require major intervention. Indeed, the general view might be that a substantial intervention would alter their essential character and obliterate the very thing that makes them worth preserving. There is, of course, a need for ongoing conservation of the collection of buildings. The Office of Public Works is especially conscious of its obligations in view of the upcoming 1916 commemorations, when all of the properties in its care with a connection to this era - including the Pearse museum in St. Enda's, Rathfarnham, which is in my own constituency, and the Pearse cottage in Rosmuc, which is in Senator Ó Clochartaigh's constituency - will play an important part in the remembrance of these significant events in our national history.

Along with the general approach to significant works on the site, it has been necessary to carry out a limited but substantial conservation project at the main residence. I understand that the OPW has spent €30,000 on this in recent works. It is important that the local community knows that such moneys have been expended on the site. This is a traditional thatched building. The roof suffered quite badly during the heavy snowfalls of recent winters, to a point at which both the external roof surface and the supporting structure were quite badly affected. This year, the national monuments service of the OPW undertook a project to address these issues, and I am pleased to report that the problem has been fully rectified. The roof has been rethatched and underlying structural improvements have been made, with a total investment in the site of €30,000. The OPW is confident, therefore, that the building is in good condition and needs no further substantial work at this stage. Closer to the time of the 1916 anniversary, my office will look afresh at the site and will address the position of the surface presentation so that the general appearance of the site and the buildings will be ready for any commemoration events.

I will speak in reply to the main point raised by the Senator that resources should be directed towards the provision of tourist facilities and services at the Mac Diarmada homestead. The OPW does not provide a guide service at this site and there are no proposals to do so in the short term. Such a decision would involve substantial ongoing costs, which are a difficulty at this time. Notwithstanding the current interest in sites associated with the 1916 Rising, the OPW is not certain there is sufficient level of interest in the long term to sustain such an operation. There is as yet no compelling evidence to warrant the provision of such extensive visitor facilities.

The OPW strategy will, however, remain focused on ensuring that the opportunities to present the site are availed of where possible and that any interest manifested by visitors is catered for. The OPW engages actively with the local community with regard to the site. There is an active Seán Mac Diarmada commemoration committee in County Leitrim with which the OPW engages by means of a contact based in the local library in Manorhamilton. The OPW also facilitates small events, seminars, tours, etc., at the property as requested, in co-operation with

interested locals. I have encouraged the OPW to remain in contact with this group in order to build on its very good relationship with it.

As the Senator may be aware, I have this year pioneered a new development in the OPW called the communities involvement initiative. Properly constituted and insured local community-based groups interested in the development and promotion of such sites would co-operate with the OPW to help present such sites to visitors and other interested parties. The OPW cannot possibly present a full visitor service at all of the many wonderful sites in its care. However, it may be possible for it to enter into co-operative arrangements with other parties so that local knowledge can be utilised and sites can be opened for guided tour groups. The OPW will, at my request, launch the community initiative for 2013 shortly. I encourage this and other groups with an interest in our heritage to contact the OPW national monuments service in order to explore the possibilities presented. The OPW is willing to work with local communities in order to make sites accessible for visitors. This arrangement has worked very well at approximately 20 sites. It is an effective handing over of a site to a local community in circumstances in which the OPW no longer has the funds to guide this.

I can assure the Senator - who is a friend of mine - that the next time I am in County Leitrim I will be more than happy to visit the Mac Diarmada homestead and meet the local committee in order to take the initiative forward.

Senator Michael Comiskey: I thank the Minister of State. We will take him up on that offer. The next time he is in north Leitrim we will take him to visit that site and many other sites around the area. I agree it is a good idea to liaise with the local community with regard to commemorative events for 1916. It may be possible to have a guide service in place with the co-operation of the local community. I acknowledge the expenditure of €30,000 on repairs to the structure and its thatched roof. I look forward to visit of the Minister of State to the house in north Leitrim.

National Internship Scheme Administration

Senator Trevor Ó Clochartaigh: Go raibh maith agat, a Chathaoirlich, agus fearaim céad fáilte roimh an Aire. Tá mé thar a bheith buíoch di as teacht isteach leis an gceist seo a fhreagairt. The Minister will be aware of concerns raised previously about JobBridge. We believe it is stopping the provision of real jobs and is leading to exploitation of workers. There are many ludicrous examples of internships which are not real but which are being tolerated. Vacancies for hotel receptionists, waitresses, car valets and telesales assistants are all advertised on the website as of 6 o'clock this evening. These internships are potentially displacing real jobs. It does not necessarily take 40 hours a week for nine months to learn how to clean a car, change a bed or carry plates. All of these jobs are relatively easy to learn but they involve hard work and in our view this is work which should be paid for.

The level of unemployment and under-employment across all these fields is critically high. JobBridge further reduces the number of paid jobs available. The Government should be embarrassed to call this a jobs initiative. In our view, JobBridge is the new minimum wage.

The Minister stated that JobBridge is a central plank of the Government's jobs strategy, but there is zero evidence of strategic thinking. A genuine internship programme would improve a person's job prospects. There are no jobs, so why should employers hire people when they

can get them for free, courtesy of the State? The scheme is so poorly designed that it is ripe for exploitation. It needs to be significantly reformed. In 2010, the US Department of Labor produced six criteria governing internships, one of which provides that an employer cannot hire an intern for free unless he or she derives no immediate advantage from the intern's activities. This is designed to ensure that an internship is a benevolent act by an employer, rather than a form of exploitation. We would agree with this.

We have a number of concerns about the application of the JobBridge scheme, particularly in the public service. We would like to know whether there is any vetting of those who take up these internships. Are safeguards put in place for them during the course of their employment? We do not suggest that those availing of schemes such as JobBridge should not be entitled to enter into jobs in the public service, for example in Departments, organisations, agencies and companies. In such bodies, however, it is possible that they will come into contact with sensitive information and personal details, etc., some of which could be very important. When we discussed the National Vetting Bureau (Children and Vulnerable Persons) Bill 2012 last week, the Minister, Deputy Shatter, said that ten people had been brought into the bureau under the JobBridge scheme to clear the backlog of vetting applications. That is where this concern arose. We feel there is a need to ensure safeguards are in place so that JobBridge applicants who are employed in State bodies are monitored to ensure sensitive information is treated with the appropriate gravity and care.

The other concern we have that is specific to the public service is an obvious one. The JobBridge scheme is meant to be a route to employment, but where is the employment in the public service? The Government is quite proud of the recruitment embargo in the public service. There is questionable value in forcing people to work for their welfare for a few months, in workplaces that need real full-time labour, before showing them the door again. While they might pick up some experience, it is absurd that people who want to work and are keen to do so cannot be allowed to do the additional full-time work that needs to be done in parts of the public service. We cannot match the two up.

We are concerned about the possibility of young interns being exploited, and we are particularly concerned about the possibility that the State would be exploiting them. These interns will do what they can to impress and improve their knowledge. Many fine, skilled young people are being lumped into Departments and agencies that are struggling to cope with their own workloads. There is every possibility that the young people in question will find themselves exploited by having to cover enormous amounts of work far beyond their experience. That is why I have asked the Minister this question this evening. In light of the confirmation by the Minister, Deputy Shatter, last week that ten interns have been placed in the vetting bureau, it is important for us to get a breakdown of the number of JobBridge participants who got placements with State Departments, organisations, agencies or companies and were subsequently given employment by the bodies in question when those placements came to an end. I ask the Minister to provide some clarification in response to that question. Cuirim fáilte roimh an Aire agus tá mé ag súil go mór lena fhreagra.

Minister for Social Protection (Deputy Joan Burton): The national internship scheme, JobBridge, was launched on 1 July 2011. It provides internship opportunities of six or nine months for unemployed people on the live register in organisations in the private, public, community and voluntary sectors. Its aim is to assist in breaking the cycle whereby jobseekers are unable to get a job without experience. It gives such people an opportunity to gain valuable experience, relevant knowledge and skills in a working environment. The JobBridge scheme

has made significant progress since it came into operation on 1 July 2011. Some 13,049 internships have commenced to date. As of 13 December last, some 5,612 participants are on internships and some 2,235 opportunities are advertised on *jobbridge.ie*. An interim evaluation of JobBridge, which was conducted by Indecon international economic consultants and published on 5 October 2012, found that 52.3% of JobBridge finishers have progressed into employment with their host organisation or another employer since finishing their internship. As the study pointed out, this is one of the best outcomes in Europe for a work placement programme.

I wish to advise the Senator that to date 2,645 placements, or 22% of the total, have been in the public service. The interim evaluation report that was published by Indecon in October 2012 found that 49% of interns who finished their internships in the public sector are now in paid employment. The report found that 27% of those interns who finished their placements in the public sector are now in paid employment with their host organisations. The other 22% of interns who progressed into employment did so with other organisations. A significant proportion of those progressing into employment with other organisations did so on foot of the high-quality skills and experience they gained during their internships. For the purposes of the Indecon report, the public sector was deemed to include the community and voluntary sectors. It must be acknowledged that the progression outcomes into employment from placements in the public sector are encouraging.

One of the main benefits of JobBridge for interns is that the scheme gives participants an opportunity to gain new job skills and high-quality work experience. Many interns consider that the scheme improves their chances of gaining employment. Some 89.3% of interns believe JobBridge has given them new skills. The scheme helps to boost participants' self-confidence, assists them in identifying job opportunities suitable to their abilities, keeps them close to the job market and helps them to establish contacts and networks. The scheme has had positive effects on the subsequent employment chances of participants who would not have secured employment in the absence of the scheme. The findings suggest the scheme has been an effective labour market intervention, in terms of achieving movement off the live register.

JobBridge is a pillar of the Government's jobs initiative, which was announced in May 2011. Its goal is to help people seeking employment to gain valuable work experience and enhance their prospects of getting a job. I am delighted that an independent review of the scheme has found that this goal is being achieved. This is a scheme for a particular set of people - those who unfortunately find themselves unemployed. It is not for everybody. I continuously meet people and their parents who tell me the scheme has been strongly positive for them. The Senator will appreciate that it is very rewarding to hear that at a time when many fine people unfortunately find themselves without jobs.

Senator Trevor Ó Clochartaigh: I thank the Minister for her reply, although I do not think she answered the specific question I asked. I would like to know how many participants got placements with Departments, organisations, agencies or companies and how many of them were subsequently employed by those bodies. We have been told that 49% of those who did internships in the public sector have found paid employment, but I understand that for these purposes, "public sector" includes the community and voluntary sectors. How many of the State Departments, organisations, agencies and companies involved in these internships kept on the interns who had placements with them?

Deputy Joan Burton: I am relying on the figures from the Indecon survey. This is the way they are structured. The Senator is probably aware that the vast majority of public, voluntary

and community organisations in this country are funded by the State. I am a little disappointed that Sinn Féin is so opposed to internship. I always thought that many people worked in Sinn Féin for nothing. I thought they were the pioneers in this regard. I suppose the people in question get nothing at all.

Senator Trevor Ó Clochartaigh: That is a question of volunteerism.

Deputy Joan Burton: It is somewhat disappointing that Sinn Féin is quite so negative. I have long experience of working at third level. I am particularly conscious that one of the problems caused by the recession is that many young people hit a brick wall when they look for employment opportunities after completing secondary education, FETAC training, community employment schemes or third level education. I am aware of people with fantastic primary and master's degrees - even a number of people with PhDs - who have encountered such difficulties. The Senator is profoundly wrong. I invite him to examine the figures and think again. Between 130,000 and 140,000 people leave the live register every year to take up employment in Ireland.

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We are not talking about people who might leave the country or drop out of the labour force. They actually leave the live register to take up employment. The critical point in taking up employment is that one's best opportunity, particularly if one has just completed a course or is moving to a new career, is in being able to say to an employer not only that one wants to work for that person and has good educational or other qualifications but also that one has worked and has relevant experience. One of the problems is that in the recession we could build up a cohort of people who would have many educational qualifications, some at a very high level, but who would never have had an opportunity to work. From a business point of view, the opportunity for somebody looking for a first or second job, if he or she is moving field such as someone who worked in construction and is moving to work perhaps in the information technology sector, is greatly diminished in the absence of a bridge or pathway from one sector to another or to a job in the first place. I have a great deal of experience in business and of working with businesses-----

Senator Trevor Ó Clochartaigh: I also have experience in business and long experience of applying for-----

An Cathaoirleach: There is no provision for a debate on the issue.

Deputy Joan Burton: I have long experience with thousands of people in the education sector.

Senator Trevor Ó Clochartaigh: The Minister is not the only one with experience in business.

Deputy Joan Burton: I do not understand why Sinn Féin is so negative about young people and people changing fields to gain work experience that will help them to find a job.

The Seanad adjourned at 8.05 p.m. until 10.30 a.m. on Wednesday, 19 December 2012.