



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

SEANAD ÉIREANN

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

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Dé Máirt, 13 Deireadh Fómhair 2015

Tuesday, 13 October 2015

Chuaigh an Cathaoirleach i gceannas ar 1 p.m.

Machnamh agus Paidir.
Reflection and Prayer.

Business of Seanad

An Cathaoirleach: I have received notice from Senator John Whelan that, on the motion for the Commencement of the House today, he proposes to raise the following matter:

The need for the Minister for Social Protection to outline the current operations of the school meals programme funded by her Department; the number of schools benefiting; and the number of children and the total resources involved, with particular reference to how the scheme is currently operated in schools throughout counties Laois, Offaly and Kildare.

I have also received notice from Senator Denis O'Donovan of the following matter:

The need for the Minister of State with responsibility for the Office of Public Works to outline whether he can provide adequate accommodation in Bantry, County Cork, for social welfare services (details supplied) to enable them to be housed under one roof, since they are currently in four separate locations, which is most inconvenient for the general public.

I have also received notice from Senator Tony Mulcahy of the following matter:

The need for the Minister for the Environment, Community and Local Government to state whether he will reintroduce the local authority tenant purchase schemes.

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

The need for the Minister for Health to provide a breakdown of inpatient and outpatient waiting times at University Hospital Waterford; the number of vacant consultancy posts; details of theatre capacity; and the steps the Minister intends to take to reduce waiting times at the hospital.

I have also received notice from Senator Martin Conway of the following matter:

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The need for the Minister for Agriculture, Food and the Marine to outline the position regarding landowners who wish to carry out drainage works or reclamation works to land.

I have also received notice from Senator Hildegarde Naughton of the following matter:

The need for the Minister for State at the Department of Arts, Heritage and the Gaeltacht to consider alternative policy approaches to supporting vulnerable and disadvantaged island communities.

I have also received notice from Senator Brian Ó Domhnaill of the following matter:

The need for the Minister for Health to urgently address the lengthy waiting lists for urology appointments at Letterkenny General Hospital by appointing a new consultant urologist and also making provision for essential equipment.

I have also received notice from Senator Gerard Craughwell of the following matter:

The need for the Minister for Arts, Heritage and the Gaeltacht to outline the steps being taken to preserve and excavate the Bronze Age track at Mayne Bog, Coole, County Westmeath.

I have also received notice from Senator Lorraine Higgins of the following matter:

The need for the Minister for Transport, Tourism and Sport to consider abandoning the existing greenway route from Ballinasloe to Galway in the absence of full agreement from landowners on the route.

I regard the matters raised by the Senators as suitable for discussion. I have selected the matter raised by Senator Whelan, and it will be taken now. I welcome the Minister of State, Deputy Simon Harris, to the House. Senator Whelan has four minutes.

School Meals Programme

Senator John Whelan: I thank the Minister of State for breaking his busy schedule on budget day and coming into the House to take this matter. There will be lots of headlines today and many different issues will attract the attention of the media, but one scheme that will not is the school meals programme. It is an undervalued and unsung success story in our social protection and education systems. I commend the Government on continuing to resource this scheme and increasing its resources. The Tánaiste, Deputy Joan Burton, strongly favours breakfast clubs in schools. It requires a bit of extra effort on the part of the school, with teachers coming in early on a voluntary basis to monitor and administer the programme, but the bottom line is that in this day and age no child in Ireland should go to school or go through the school day hungry. That is why this scheme is extremely important.

As resources become available and as the budgetary situation improves, as we will see outlined on this budget day, more resources should be put into this scheme, because it is vital. I would like to see an emphasis on the breakfast club. I would also like to see the scheme administered in a transparent and open manner. I know it is important to the Minister of State that we have value for money and an open and transparent tendering processes. There is quite a bit of

money involved. We must also ensure that good-quality meals are being served to the children, that they are of a high nutritional value and that it is not just tokenism. It is important to ensure that we get not only value for money but also good nutritional value from the meals we serve. I am looking forward to the Minister of State's reply regarding how the scheme is currently being rolled out and how it can be improved.

Minister of State at the Department of Finance (Deputy Simon Harris): I thank Senator Whelan for raising this important matter and for giving me the opportunity to respond on behalf of the Department of Social Protection. The Department administers the school meals programme as a targeted intervention for children at risk of food poverty and educational disadvantage. The programme provides funding towards the provision of food services for disadvantaged children through two schemes. The first is the statutory urban school meals scheme, operated by local authorities and part-financed by the Department of Social Protection. The second is the school meals local project schemes, through which funding is provided directly to participating schools and local and voluntary community groups that run their own school meal projects. The programme provides funding towards the provision of food services to some 1,700 schools and organisations, which benefits more than 217,500 children. In view of the benefits of the programme, and despite pressure on the social protection budget over the last number of years, the Government allocated an additional €2 million for the programme in 2015, providing a total allocation of €39 million. The Government had already increased the funding for the programme by €2 million in budget 2013, which was used to extend the scheme to some 100 additional DEIS and special schools, benefitting more than 9,800 additional children.

The programme is an important component of policies to encourage school attendance and extra educational achievement by children, especially those from the most disadvantaged background. Priority is, therefore, given to schools that are part of the Department of Education and Skills' Delivering Equality of Opportunity in Schools, DEIS, initiative for disadvantaged schools. The additional €2 million funding provided in 2015 is being used to increase payments to existing DEIS schools with a particular focus on the provision of funding for breakfast clubs, an issue in which the Senator believes strongly and which can provide very positive outcomes for vulnerable children in terms of their school attendance, punctuality and energy levels. There is clear evidence that good nutrition improves the concentration levels of students, and breakfast clubs are particularly effective in this regard. A total of 57 schools and preschools in counties Laois, Offaly and Kildare were approved funding for the 2014-15 academic year at a total cost of €1.3 million. At present, the Department of Social Protection is processing applications for the current school year.

Sitting suspended at 1.11 p.m. and resumed at 4 p.m.

Order of Business

An Cathaoirleach: Before I call the Leader, I wish to express my heartfelt sympathy to the families of those who died in the two appalling incidents at the weekend. The deaths of ten people, five of them young children, at the halting site in Carrickmines in the early hours of Saturday morning was a devastating tragedy for the families and for the close-knit Traveller community to which they belong. Our thoughts and prayers are with all of them and with those who survived the fire but are being treated in hospital.

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The murder of Garda Tony Golden in Omeath underlines the dangers members of An Garda Síochána face on a daily basis as they protect our communities. I would like to offer my deepest sympathy to Garda Golden's wife, Nicola, to their three young children, and to their wider family. Our thoughts are also with the members of An Garda Síochána who have lost a colleague and a friend. The loss of Garda Golden, a gentle giant, a proud family man and a credit to the Garda Síochána, will be felt keenly in his native Ballina, County Mayo, where he excelled in hurling with Ballina Stephenites, and among the community on the Cooley Peninsula.

We must remember, too, the young woman who was also shot and is being treated in hospital. We wish her a full recovery. I call the Leader.

Senator Maurice Cummins: Before I announce the Order of Business, I join the Cathaoirleach in extending my deep and heartfelt sympathy to the ten people who died in the fire in Carrickmines at the weekend and to wish a speedy recovery to the two children who will be orphaned now as well. I extend my sympathy to all the families concerned. I also wish to pay tribute to the members of the fire and emergency services.

I express my sympathy on the death of Garda Anthony Golden who was aged 36 and stationed at Omeath Garda station. He was shot while carrying out his duty as a guardian of the peace. I extend to his wife Nicola, their three young children and family my deepest sympathy, which I extend to the entire Garda family who are deeply saddened and shocked by the death of a colleague. We can speak on another occasion about the facts surrounding the shooting. It highlights the dangers gardaí face every day while on duty. I firmly believe there is a need for greater respect for the Garda community that have served us so well since the foundation of the State. Ar dheis Dé go raibh a n-anam dílis.

Senator Darragh O'Brien: On behalf of the Fianna Fáil group in the Seanad, I extend my deepest sympathies on the terrible and tragic events over the weekend with the loss of ten people in the fire in Carrickmines which, as the Leader has said, has also left two children fighting for their lives. We wish those children a speedy recovery. It was a desperate and terrible tragedy and was the largest number of fatalities from a fire since the Stardust disaster. We remember also those families who still seek justice for their relatives who died in the Stardust disaster. I am sure the Government and the emergency services will carry out proper investigations in due course as to what happened in Carrickmines to ensure this type of incident cannot happen again. I pay tribute to the emergency services, the members of the fire brigade, the HSE National Ambulance Service and the gardaí who attended the scene and did everything they could to save as many lives as possible.

I pass on my deepest sympathies to the family of Garda Tony Golden, his young children, his wife and his parents, and to his colleagues on that brutal and disgusting murder in Omeath. It occurred just a couple of short years after the demise of a colleague of his, Detective Garda Adrian Donohoe, who was also murdered in the line of duty in the same area. Unfortunately, his murderers are still at large. For me, as I am sure for every other colleague, the murder reinforces the crucial job the Garda and emergency services carry out day to day in the service of this State and protecting this State against criminals. All we can hope is that these events do not recur. We must look at how we can protect gardaí further when working in the line of duty. Our main thoughts are with Garda Tony Golden's family, friends and colleagues on what is an absolutely awful tragedy for those in County Louth, especially in Omeath. My thoughts and prayers and those of my party colleagues are with them and with the relatives of the ten people, five of whom were children, who perished in the awful fire that took place in Carrickmines over

the weekend.

With that in mind, I do not propose to go through any other business. We will have budget statements afterwards and we will discuss other matters of political discourse over the coming days. I confine my comments to those two very serious items. I wish and hope that some solace is given to the families and, on behalf of myself and my colleagues in Fianna Fáil, I wish them our deepest sympathies.

An Cathaoirleach: The Leader has omitted to include the Order of business.

Senator Maurice Cummins: Yes. The Order of Business is No. 1, statements on budget 2016, to be taken at 5 p.m. and to conclude not later than 7 p.m., if not previously concluded, with the contributions of group spokespersons not to exceed eight minutes, those of all other Senators not to exceed six minutes, and the Minister to be called on to reply not later than 6.55 p.m.

I call for Members to stand for a minute's silence as a mark of respect to those who died in those circumstances at the weekend.

Members rose.

An Cathaoirleach: Has Senator Darragh O'Brien finished?

Senator Darragh O'Brien: Absolutely. I thank the Cathaoirleach.

Senator Ivana Bacik: I would like, on behalf of the Labour Party group, to join the Leader and Senator Darragh O'Brien in expressing sincere sympathy to the families of those bereaved so tragically at the weekend in the two incidents which people have already described. First, to the ten victims of the appalling fire in Carrickmines in south Dublin, including five children, and others who were injured and, second, to the family and community of Garda Anthony Golden who was killed so tragically in Omeath in the line of duty and to express sincere condolences to the families of all concerned. As others have said we will have statements on the budget. We have all been listening to its content and will be able to discuss it later.

Senator Sean D. Barrett: I echo everything that has been said so sincerely by our colleagues concerning the loss of lives at Carrickmines and Omeath. This is the House of the people and if there is anything that we, the Members, can do for those bereaved people they can call upon us. I am sure there will be expressions of solidarity with them on the days of the funerals. I welcome the fact that the Government is to fly the flags on public buildings at half mast on those days. In their time of loss they have our prayers, as Senator Darragh O'Brien has said, and they are in our thoughts and we are here to help. If that can be any consolation to those families I am sure there will be many people listening in Leinster House and they will help.

Senator Martin Conway: I join with the Leader, the leader of the Opposition, Senator Bacik and Senator Barrett. Some of us were in the Dáil Chamber for the Budget Statement. Of course sympathy was expressed and there was a minute's silence in the Lower House which was eerie and very powerful, as was the minute's silence proposed by our Leader which reflected the same solace, togetherness and support for the people who perished in Carrickmines, members of the Traveller community who live in very difficult conditions, children and parents of both families. It does not bear thinking about. The last time we had a fire of that nature, as Senator Darragh O'Brien has rightly pointed out, was the Stardust in the early 1980s. We can

all remember that as very young people at the time.

The tragedy in Carrickmines was followed by the killing of Anthony Golden in Omeath. As the Fine Gael spokesperson on justice, I often speak about the Garda Síochána and pay tribute to it for the enormity of the job it does and the sacrifices it makes. In this case Anthony Golden has paid the ultimate sacrifice by losing his life, the 88th member of the Garda Síochána to do so since the since the foundation of the force. All we can do is convey our sympathy to his wife, Nicola, and their three children, to the entire force of An Garda Síochána, the people of County Louth, the people of Ireland and all former members of An Garda Síochána. The Garda is a community and a family which does enormous good for the people of this country and we must stand with them in solidarity at this very difficult time.

Senator Terry Leyden: Certainly it was a weekend of tragedy for families throughout the country, when the ten family members at Carrickmines, County Dublin, perished. They were Thomas and Sylvia Connors, their children Jim, Christy and baby Mary, and William Lynch and Tara Gilbert and their daughters Kelsey and Jodie, and William's brother, Jimmy Lynch. So many people from that family have died that it is unbelievable that they would carry on with so many losses. There were also Jodie and Jimmy Lynch and his brother Willie. The fire in Carrickmines was an accident. That is the only consolation. Unfortunately, they were living in atrocious conditions and I am delighted that the Government has moved to carry out inspections of all sites throughout the country. There are some very bad situations.

I also offer my sympathies to Nicola and the three beautiful children on the death of Garda Tony Golden from Culleens, outside Ballina. I also offer my sympathies to his family, his colleagues, the Commissioner, members of the Garda Representative Association and all members of the force. They have lost a great and very loyal member, a community policeman who went to assist Siobhán Phillips on that day and was confronted with a situation in which he was shot dead and Ms Phillips is now in hospital. She has two children as well. These young children, without their fathers, now face a very uncertain future. Garda Golden was the 88th member of An Garda Síochána to die in the service of the State. We should always continue, as we do in this House, to have utter respect for members of the Garda Síochána, who are prepared every day to sacrifice lives to protect the people of this country. It is a very sad, tragic situation. Investigations will be carried out into what happened on this fateful day. We join our colleagues in expressing our deepest sympathy to all concerned.

Senator Paul Coghlan: I heartily concur with the expressions of sympathy led by the Cathaoirleach, Senator O'Brien and others. We extend our heartfelt sympathy to the families of all involved, to the family of Garda Tony Golden and to the entire Garda Síochána. As Senator O'Brien said, I do not think any other words would be appropriate at this time. We should, perhaps, adjourn now and discuss the budget in due course.

Senator Diarmuid Wilson: I join my colleagues in the expressions of sympathy to the unfortunate victims of the horrific fire in Carrickmines, County Dublin, and to the wife, children and extended family of Garda Tony Golden, a native of Ballina in County Mayo. It brings to mind, unfortunately, the horrific incident that occurred less than three years ago, where Detective Garda Adrian Donohoe, a native of my own county, Cavan, was brutally murdered. There is a common theme running through both these horrific murders, namely, that these individuals call themselves republicans. I call them thugs and murdering psychopaths. The sooner they are put off the streets and off our island, the better. As Senator Coghlan has stated, there will be another day to discuss these matters. Today is not that day. Suffice it to say that I extend my

deepest sympathies to the families affected by both these horrific incidents.

Senator Marie Moloney: I, too, will confine my comments to expressions of sympathy to all the families involved in the tragedies of last week, the fire at Carrickmines and the untimely death of Garda Tony Golden, which was a terrible ordeal. It was the second death of a Garda in that area, which is very troubling. In addition, a priest, Fr. O'Donoghue, lost his life in a fire during the week. I just want to add my voice to the expressions of sympathy for these people.

Senator Gerard P. Craughwell: Like everybody else here, I add my condolences to the people in Carrickmines, to Garda Golden's family and to the family of the homeless man who died in Dublin over the weekend. The people in Carrickmines live just down the road from me. It was a halting site that was well in off the road. They were people who minded their own business, who went about their daily lives. To see two families wiped out so quickly and to see two young children orphaned is very tragic. There are points we could make today but, as Senator Paul Coghlan stated, this is not the time for recriminations.

With respect to the late Garda Golden, the Garda family are a close-knit group. Indeed, when my brother, who was a garda, died, the N11 was closed in order to allow his funeral travel out to Shanagarry. Today, the families and loved ones of gardaí who are going on duty this evening will be thinking about whether their fathers and mothers will return home later tonight. It will take some days for those feelings to pass. We must remember the Garda is one of the few police forces in the world that is unarmed and that officers walk into perilous situations every day of the week. Few of us ever give them a second thought because we rarely, if ever, need them. However, there are those who do need them, such as that woman who was in distress at the weekend. There was a garda willing to travel to her house and assist her and, sadly, he lost his own life while doing so. Ar dheis Dé go raibh a anam.

Senator Colm Burke: I, too, wish to join in the expressions of sympathy. Garda Golden was the 88th garda to die on duty in 93 years. It is one death too many. Like the late Garda Golden, every one of the gardaí who have died over the years served the force well. It is extremely sad. It is important that we convey our sympathies to his wife, Nicola, and to his immediate family.

I also would like to join in extending my sympathy to the families of those who died in the tragedy at Carrickmines. Ten people died, five adults and five children. It brings home the need for us all to be mindful of one another in terms of where we live and work. Last year we highlighted the number of deaths that occurred as a result of farming accidents. Senator Moloney referred earlier to a person in Kerry who died in a fire. These incidents highlight the need to focus on this issue and on how to make places safer. Whether it is our homes or the other accommodation - such as apartments or Traveller accommodation - in which we live, we need to focus and take action. It is a matter that we should discuss. It is important that we convey our sympathies to the families. This is a huge tragedy and a major loss for everyone involved.

Senator Michael Mullins: I also wish to join colleagues in extending my deepest sympathy to the Lynch, Connors and Gilbert families who lost ten members of their families in the appalling tragedy in Carrickmines. It certainly brings home to us how fragile life is and how lives can be snuffed out in an instant as a result of an appalling accident. I think of the extended Traveller family throughout the country, some of whom, in my town of Ballinasloe, lost relatives in Carrickmines at the weekend. I also think of the two children who are fighting for their lives and hope they make a full recovery.

I want to join in the expressions of praise for the emergency services and I think of the awful trauma that they face on an ongoing basis when called out to such horrific accidents. I am glad that every support will be given to those families and that all accommodation on halting sites will be examined. I also am pleased that counselling services are being made available to the many members of the families which have been impacted upon as a result of this appalling tragedy.

I also join others in expressing sympathy and offering our prayers and support to Nicola Golden on the loss of her husband, Tony, who was shot in a senseless killing in Omeath at the weekend, and to her three children and his extended family. He served the State well. He was a true gentleman who was only concerned for family and colleagues and the community that he served so well. I share the anger of my colleague who referred to the need to discuss the availability of weaponry. We think of the families concerned. I hope the support they receive from the communities in which they live will be of some comfort to them. As Senator Barrett stated, we hope that anything the families require of the State, including the Legislature, will be forthcoming.

Senator Mary Moran: I add my words of sympathy to all the families affected by the dreadful weekend of tragedies. I convey my sympathies to the families of the ten people who lost their lives in the horrific accident in Carrickmines. As Senator Mullins stated, we must also praise the members of the emergency services who arrived at a horrific scene on Saturday. I also express sympathy to the family of the gentleman who died over the weekend in Westmoreland Street.

I pay tribute to Garda Anthony Golden, who lived in my home village of Blackrock, County Louth, where his funeral will take place on Thursday. From all the reports I have read about his actions on Sunday, Garda Golden was an astonishingly brave man. I called to the Garda station this morning before travelling to Dublin and ahead of the prayer service, which was held at 11 a.m. It is surreal to think that it was less than three years ago that we all signed a book of condolence for the late Garda Adrian Donohoe. At that time, we hoped and prayed that something like that would never happen again. The whole community has been shaken to its core by the events of last weekend.

The Garda is still dealing with the death of Garda Adrian Donohoe. My thoughts go out to his wife, Caroline, and their two children, who must be feeling for the Golden family today. I also extend my sympathy to Garda Golden's wife, Nicola, their three young children, Garda Golden's family in County Mayo, and his mother-in-law, Nicola's mother, Iris O'Sullivan, who also lives in Blackrock. I pay tribute to the gardaí in Dundalk, who do a great job.

Senator Cáit Keane: I also express condolence to the families of all the victims of the weekend's events. We in south Dublin will have ten funerals. The accident in Carrickmines was so horrific that the suffering of the victims and those who have been left behind does not bear thinking about. I offer my sympathy to the families and friends of those who died: Willie Lynch and Tara Gilbert and their children, Kelsey and Jodie, Thomas and Sylvia Connors and their children, Jim, Christy and six-month-old Mary, and Willie Lynch's brother, Jimmy. I also offer my sympathy to the extended community in Carrickmines and Bray and the Traveller friends of the families living in neighbouring districts, who are doing Trojan work providing services and facilities to the families, including counselling. The council will also help out, and I am aware that an online fund has been established by the Society of St. Vincent de Paul to help with the costs of ten funerals, which will be an expensive business.

I pay tribute to Garda Tony Golden. May he rest in peace. I extend my sympathies to his wife and three children. Garda Golden's death brings home to us again that gardaí put their lives in danger every day of the week. Detective Adrian Donohoe's wife must be feeling for Nicola, Garda Golden's wife, and her children. I sympathise with the family of Garda Tony Golden, who are from County Mayo. There is so much one could say about it and there is so much that has to be done. The Minister for the Environment, Community and Local Government announced today that every local authority will have to carry out a review, as we do not want a recurrence of this type of accident. Ar dheis Dé go raibh a n-anam dílis.

Senator Terry Brennan: I extend my sympathy to those unfortunate people who lost their lives in the horrific accident in Carrickmines at the weekend and also to Tony Golden, a man I knew personally and who worked in the communities of Carlingford, Omeath and the wider Cooley Peninsula. I extend my sympathies to Tony Golden's Garda colleagues in the Omeath-Carlingford branch and to gardaí in the wider Dundalk area. He was a true community garda. I read a description of him as a gentle giant and I endorse that statement. He was a gentle giant who went about his duties quietly and with great dignity. I had the privilege of knowing him and had a cup of tea with him only two weeks ago in Carlingford. He paid the ultimate price of his own life in going to help someone in his community who was suffering violence in her own home. People ask what would have happened if he had had the assistance of three or four gardaí. I believe they would have paid the same price. It was a truly devastating evening in the parish of Omeath and Carlingford, where we were celebrating the wonderful sporting feats of our rugby team that same Sunday. To hear the news was devastating. I extend my sympathies to his wife and family and to his wider family in County Mayo.

Senator Jim D'Arcy: I support Senator Brennan in his comments on Garda Tony Golden, who lived four or five doors away from me in the village of Blackrock in County Louth. He was a wonderful person. Sometimes one says that and it means nothing, but in this case it is absolutely true. He was a man of outstanding integrity and a great family man who liked nothing better than to spend his spare time with his three beautiful little children. My heart goes out to his wife Nicola, who is from the village, and the extended family on their great loss.

Sometimes, we do not appreciate enough the risks gardaí take in protecting us, the people. They go out and do this work so that we can sleep safely in our beds. I offer my sympathy and condolences to all members of the force. They must be feeling terrible today at the loss of their colleague such a short time after the loss of another of their colleagues, Adrian Donohoe, whose child I enrolled in the national school when I was teaching in Bellurgan.

Today is not the day to see what solutions we can find to these problems, but Senator Paul Coghlan and others drafted a report calling for a beefed-up special tasks unit to deal with criminality. I supported that recommendation at the time and I support it now not because of this horrific and unacceptable tragedy, but because we need to combat the fallout from the Troubles, where some criminals have taken over the trade in misery that has been ongoing for so long.

Order of Business agreed to.

Sitting suspended at 4.42 p.m. and resumed at 5 p.m.

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Budget 2016: Statements

An Cathaoirleach: I welcome the Minister of State, Deputy Simon Harris.

Minister of State at the Department of Finance (Deputy Simon Harris): I am very pleased to be in the Seanad to have the opportunity to contribute to the debate on budget 2016. As Senators will be aware, the Minister for Finance and the Minister for Public Expenditure and Reform presented the Government's fifth budget to Dáil earlier today.

This budget marks another major milestone in Ireland's recovery from the crisis conditions that prevailed just a few short years ago. It confirms that in 2015 Ireland will have corrected its "excessive deficit" with a headline budget deficit of 2.1% of GDP, well inside the original 2015 budget target of 2.7%. What this means is that we have now complied with the recommendation that the European Council of Finance Ministers, ECOFIN, made to Ireland way back in late 2010 to bring our deficit below 3% of GDP. The estimated deficit in 2015 was in fact the lowest since 2007. This is a very significant achievement and one that attests to the determined, disciplined way in which the Government has managed the public finances on behalf of the people in recent years. It is also a testament to the character of the public in recognising the need for the necessarily tough actions entailed in restoring our public finances to a sustainable position.

A consequence of this achievement is that budget 2016 has been framed under the rules of the preventive arm of the Stability and Growth Pact, rather than the corrective arm which set the context for this Government's previous four budgets. While this is a better place to be, it will bring its own challenges. The rules that we have to adhere under the Stability and Growth Pact are somewhat more complicated but basically are about ensuring that the public finances are managed in a sustainable way.

The key objective for fiscal policy is now to achieve a balanced budget in structural terms. I am happy to say that budget 2016 is compliant with the requirements of the preventive arm. These relate to the required improvement in the structural or underlying budget balance, and the so-called expenditure benchmark which limits growth in public expenditure to the economy's potential growth rate. This speaks to an important point which was emphasised by both Ministers, Deputy Michael Noonan and Deputy Brendan Howlin, in their speeches today, namely, that we are not going to go back to the bad old ways of the boom and bust cycles. It sends an important signal to the people and to the wider world that, having extricated ourselves from a very difficult fiscal position, we are embracing the necessary disciplines that will ensure we avoid such damaging mistakes in fiscal policy in the future.

As well as getting our deficit under control, we have started to make a lot of progress in reducing our elevated government debt level which has represented a key risk to our economy. At the end of 2015, our general government debt had fallen to some 97% of GDP. Again, this signifies the achievement of a critical milestone - the point where our debt level is below the annual value of the goods and services produced in our economy. The Department of Finance is projecting that our debt ratio will fall further next year to 93% of GDP, around the eurozone average, and to below 80% of GDP by 2021. A falling debt ratio is not just a statistic; it is important in enhancing the economy's resilience and in reducing our vulnerability as an economy and as a country to future external shocks.

I will move on from the public finances to the broader economic background to this budget. As Senators will be aware, the economic recovery that has been under way for a number of

years has gathered significant momentum of late. The pace of economic growth accelerated in the first half of this year when GDP grew by some 7% in annual terms. Importantly, this growth was broadly based with both the export sector and the domestic economy performing strongly. The recovery in the domestic economy is evident from the fact that spending by households on goods and services increased by 3.25% while investment rose by almost 22%. Taking account of the latest trends and an assessment of the international economic outlook, the Department of Finance has revised upwards its forecasts for economic growth. The Department is now projecting growth in GDP of some 6.2% and growth of 4.3% is forecast for 2016. These are numbers that would have been unimaginable a couple of years ago. Importantly, these forecasts have been endorsed by the Irish Fiscal Advisory Council.

Of critical importance is the fact that this strengthening economic performance is carrying through to the labour market, with more jobs and reduced unemployment. We have experienced ten consecutive quarters of gains in employment with total employment in the economy some 133,000 higher than the low point reached in early 2012. Similar to the trend we are observing in the composition of economic growth, employment is growing across most sectors of the economy. This again points to the broad based and sustainable nature of the economic recovery. Looking ahead, the Department is forecasting that 48,000 jobs will be created in 2016 and we will have more than 2 million people in work. The growth in employment is feeding through to reductions in unemployment which has fallen from a peak rate of more than 15% in 2012 to 9.4% in September. We are projecting an average unemployment rate of 8.3% in 2016 and an end-year rate of 8%. These reductions in unemployment are key to ensuring that the benefits of the recovery are widely shared. What better way to ensure somebody shares economic recovery than by ensuring he or she can have a job. Looking further ahead, the Department's assessment of medium-term growth prospects suggests that unemployment will fall steadily towards 6% by 2021.

This leads me to the key objectives and priorities of this budget. I have already outlined the strength and breadth of the economic recovery. Above all else, this budget is about protecting and sustaining that recovery. It cannot be put at risk. There is still a job of work to be done. The journey must continue to full employment. This can be seen in some of the key budget priorities outlined by the Minister for Finance, Deputy Michael Noonan, and the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, to the Dáil earlier this afternoon including making work pay, ensuring fairness, encouraging entrepreneurs and fostering innovation.

I commented earlier on the remarkable progress we have made in recent years in creating jobs and reducing unemployment. There is more to do on this front. Getting people into work is critical to ensure that the fruits of economic growth are felt by every family. As the Minister for Finance emphasised, this means we must ensure that work pays for each family. To this end, the Minister continued in this budget with the approach he adopted in budget 2015 of targeting the majority of the resources available for tax reductions on low and middle-income families. As Senators will be aware by now, the Minister has announced an increase in the entry threshold to the universal social charge and has also reduced the three lowest USC rates. The effect of these changes is that the marginal tax rate for middle-income earners under €70,044 will fall below the critical 50% threshold. This will be the first time in many years that middle and low-income earners will see the threshold fall below 50%. The changes announced by the Minister are such so as to restrict the benefit to earnings up to €70,000. In this way, the budget will increase the incentive to work while maintaining and enhancing the progressivity that is already a key feature of the Irish income tax system.

The OECD measures the progressivity of income tax systems by comparing the tax wedge at different levels of earnings. By the most widely used of the measures, Ireland had the second highest progressivity outcome of OECD member countries in 2014 and the highest among all EU member states. The progressivity of the income tax system contributes substantially to redistributing income. According to the latest available data, the reduction in Ireland's Gini coefficient - a standard measure of income inequality - due to the tax system is the third largest in the OECD and the largest among EU members. The data also indicate that the reduction in inequality due to the welfare system was the largest in the OECD. Combined, Ireland's tax and welfare system result in the greatest redistribution of income among all OECD countries. I trust we can have an honest debate around the budget in this regard. The figures speak for themselves in terms of the progressivity of the measures being pursued by the Government. It is evident that, compared to other countries, the Irish tax system is strongly progressive and that the tax and welfare systems combined contribute substantially to the redistribution of income and the reduction of income inequality. These key features of our tax and welfare systems have been preserved and indeed enhanced in budget 2016.

I will now set out the social protection measures announced in the budget. I was pleased that my colleague, the Minister for Public Expenditure and Reform, was in a position to announce an increase in pension payments of €3 per week in 2016 as well as an increase in the fuel allowance of €2.50 per week. While the Government did not cut pensions and preserved the pension rate, we are now in a position to increase the pension rate. These targeted increases are important for the groups concerned and will help to ensure that the benefits of recovery are widely spread. The Minister for Public Expenditure and Reform, Deputy Howlin, also indicated in his speech that the Government will implement the recommendation of the Low Pay Commission to increase the minimum wage from €8.65 an hour to €9.15 from 1 January 2016. Given the changes in the USC that I have already outlined and the increases in the threshold for the family income supplement, it is clear that the budget has a strong focus on ensuring that work pays, particularly for those on modest incomes and those with children.

The child care measures announced by the Minister for Public Expenditure and Reform, Deputy Howlin, and my colleague, the Minister for Children and Family Affairs, Deputy Reilly, are also important, not least in helping parents who wish to participate in the labour market. Of course, as the Minister pointed out, child care investment offers both economic and social returns. In economic terms, it helps promote participation in the labour market. As our population ages and the increase in our working age population starts to slow down, increasing participation and labour supply will be important for long-term growth. Moreover, strong international evidence points to long-run educational and social benefits for children participating in preschool education. This evidence base provides strong support for the decision announced by the Minister in the budget to extend eligibility to free child care to children from three years of age until they reach five and a half years or until they start primary school. The budget also includes additional funding of €15 million to allow for the full participation of children with disabilities in the early childhood care and education scheme, something I imagine Senators on all sides will welcome.

The Minister also announced the intention to legislate for statutory paternity leave of two weeks in recognition of the role played by fathers in families. This will take effect from next September. It will complement the child care measures and help parents to reconcile the demands of work and family life.

Another major theme in this budget relates to the need to encourage new entrepreneurs

and further support existing ones. It is well known that we have been successful in attracting foreign direct investment to Ireland and we will continue to compete to attract new investment and jobs. We also need to focus on improving the conditions for those who run the small and medium-sized enterprises that are so important for employment throughout the country. As well as making work pay, we need to ensure enterprise pays and that the tax system does not act as a disincentive to those who wish to start their own business. Following a public consultation launched earlier this year, the Minister for Finance has announced a number of significant taxation changes in the budget to support entrepreneurs. Of particular note is the introduction of an earned income tax credit for those with earned income but without access to the PAYE credit. As the Minister put it, this is an important first step in levelling the playing field between entrepreneurs and employees and removing a distortion in our tax system that was highlighted by the Commission on Taxation. The Minister also announced a revised capital gains tax relief in the form of a reduced rate of 20% on the disposal, in whole or in part, of a business as well as an extension of the three-year tax relief for certain start-up companies. This is an important package that sends a signal to those thinking of establishing a new business or moving into a new business venture. It will boost entrepreneurship and complement the other measures included in the budget aimed at supporting key sectors including tourism, agrifood and retail. Indeed these two measures, the reduction in capital gains tax and the introduction of an earned tax credit for the self-employed, came up consistently in the public consultation held by the Department of Finance on taxation and entrepreneurship. In addition, a key focus of the activity of the enterprise agencies next year will be to ensure that the recovery in employment which I spoke about earlier reaches all parts of the country. The IDA Ireland regional property programme aimed at supporting the regional action plans prepared earlier this year can and will play an important role in meeting this objective.

The Minister for Finance has emphasised the role of the budget in fostering innovation. Encouraging innovation is vital for an advanced economy like ours. The key to long-term growth is getting more out of our resources through higher productivity and finding new and better ways to do things. For the future, our growth model needs to be about getting more out of what we have rather than using more resources. The role of research and development in driving innovation is well-recognised by economists. To further support research and development, we will introduce a knowledge development box in the finance Bill in what will be the first OECD-compliant knowledge development box in the world. This is an important initiative that will complement Ireland's existing suite of research and development supports including the research and development tax credit and the various grant supports for enterprise-level research and development. It will help position Ireland to attract the type of knowledge-intensive innovation-driven economic activity that will be critical to our long-term growth. It sends out a message to major international companies and start-ups to come to Ireland, undertake research and innovation, create jobs and employment here and benefit from our knowledge development box in the process.

While I am on the theme of innovation, I wish to draw the attention of Senators to the provision for new additional teaching posts announced in the budget by the Minister for Public Expenditure and Reform, Deputy Howlin. If we are going to build the kind of knowledge-driven economy and society that we aspire to, we must ensure that our education system is delivering for our young people and equips them with the skills and competencies they will need to participate in the knowledge economy. The measures announced today, including a reduction in pupil-teacher ratios at primary and secondary level and the allocation of new 600 new resource teachers, are particularly welcome in this regard. As well as reducing our class sizes, it sends

a strong message to those studying teaching in our many colleges and universities as well as those who studied and felt the need to go abroad to get a job that they can now have a realistic expectation of getting a job in this country and, in the process, help to contribute to our education system.

Senators will be well aware of the problems we are experiencing in the housing market, particularly in the greater Dublin area and some of our other large cities. The shortage of supply of new housing in our cities presents economic and social policy challenges. It is clear that there is market failure in the provision of new housing, especially in the greater Dublin area, and, as the Minister, Deputy Howlin, noted, a dysfunctional housing market represents one of the worst legacies of the economic crisis experienced by the country. Against this backdrop, the announcement by the Minister for Finance of new targets by NAMA for the delivery of 20,000 residential units by the end of 2020 is most welcome. This will amount to approximately 80 new homes a week. Some 90% of these units will be in the greater Dublin area and approximately 75% will be houses, mainly starter homes, which are the areas of acute need at present. As the Minister indicated, this initiative by NAMA is entirely consistent with its existing commercial mandate to deliver the best financial return to the taxpayer.

The Minister for Public Expenditure and Reform has also announced a number of additional measures in the social housing sphere building on the Government's social housing strategy. This includes measures to enable local authorities to secure accommodation for an additional 14,000 households and an additional €17 million for emergency accommodation for homeless people. The affordable housing pilot scheme that the Minister announced is also an important initiative as we look at new innovative ways to increase the supply of affordable rental accommodation in the years ahead.

Another area that I realise is of concern to Senators on all sides of the House is the fact that the Government re-opened Templemore and has re-commenced the recruitment and training of members of An Garda Síochána. In this budget we have provided funding for up to 600 additional gardaí. This will play a major role in combatting crime in the country.

As I have already said, and as the Minister for Finance, Deputy Michael Noonan, and the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, stressed in the Dáil earlier today, this budget is fundamentally about fostering our economic recovery, an economic recovery that was hard won and achieved through determined policy action on the part of the Government and the willingness of the Irish people to make the sacrifices necessary for a better future. That economic recovery must not now be squandered. By managing our public finances in a sustainable way by making work pay, investing in essential public services, promoting entrepreneurship, fostering innovation and ensuring fairness, this budget will help to secure and prolong our economic recovery. I look forward to the debate in the Seanad and commend the budget.

Senator Darragh O'Brien: I welcome the Minister of State to the House and thank him for outlining the summary of the main budget measures. I will refer in a moment to the measures in the budget that I find positive. I agree with the Minister of State's comment that this last, or fifth, budget from the Government must be taken in the context of previous very regressive and most unfair budgets whereby those who could afford the least paid the most.

The extension of the early childhood care and education scheme is certainly welcome. The emphasis on allowing full access for children with disabilities is also very welcome. I have spo-

ken about this, along with my colleagues and many Senators across the House. How confident is the Government that the €15 million set aside in this regard will actually meet the demand in this area?

To stay on the subject of education, the reduction in the pupil–teacher ratio at both primary and post-primary levels is also welcome. I hope that when the Minister for Education and Skills examines this in more detail, there will be a particular emphasis on primary education. It is most important to give our children the best start that they can possibly be given.

Putting two weeks' paternity pay and leave on a statutory footing is certainly welcome. Colleagues on many sides of the House have called for this. Senator D'Arcy should note that, based on the statement of the Minister for Finance, Deputy Michael Noonan, in the Dáil, there is no getting away from the fact that some men will not be able to excuse themselves from carrying out their responsibilities.

With regard to the local property tax, my colleague in the other House, Deputy Michael McGrath, and I have been calling consistently for a freezing of the revaluation in 2016. The fact that the Government has announced this is certainly welcome. Since the tax is value-based, it is important that there be mitigation in urban areas, such as Dublin, Cork and Galway. There is an extension of the exemption for homeowners whose houses are affected by pyrite. Again, this is a matter that my colleagues and I have raised here on numerous occasions. I have included this in the submission my party made. I am looking for clarification on this because the Minister of State referred to houses with significant pyrite damage. I put it to him that any house with pyrite is valueless. Until such houses are actually fixed, they should be exempted on a self-assessment basis. I would like to see how the exemption can be put into practice. If people are required to have a main test of their house, the exemption from the property tax will not pay for it. This is a matter we can tease out in more detail.

The €3 increase to the old-age pension will not even cover the Government's increase in the prescription charge and the abolition of the telephone allowance and the bereavement grant. The Government has increased the fuel allowance somewhat. A €3 increase in the context of the cuts the Government has made over the past few years is miserly in the extreme. This should be revisited.

Having mentioned positive aspects of the budget, I will outline the aspects of which I am critical. The employment figures are good; we all want to see increases in employment. When the Minister of State concluded his statement, he mentioned the Government's policy platform over the previous four years. The previous Government, in making 70% of the adjustments that were required and in making some of the very tough decisions required to rein in spending and increase tax, also laid the foundations for some of the recovery that we see. We need to see a fair recovery. The proportionate increases in net take-home pay for low- and middle-income families by comparison with higher-income families owing to the reductions in the universal social charge need to be re-examined. Those on low incomes will have a 0.8% increase while those on higher incomes, earning between €50,000 and €75,000, will have increases of 1.7% and 1.9%. This seems to be somewhat unbalanced.

In the statements of the Minister of State and the Minister, Deputy Noonan, there was no reference to those in mortgage arrears. I cannot see any mention of reinstating the mortgage interest supplement, which would help those who now fear losing their homes. A legacy of this Government will be that it has allowed repossessions to take place and has made it easier for

banks to repossess. One of the direct supports that was seen as very effective was the mortgage interest supplement, but it has not been reinstated. No measure has been taken in real terms in regard to variable mortgage rates. Thousands upon thousands of people are paying over and above the odds. I hope the Government will seek, perhaps in the context of the Finance Bill, to beef up the code of conduct on mortgage arrears that it watered down over its term in office to afford proper protection to those affected.

The Minister of State said the proposal for NAMA to deliver an additional 20,000 residential units by the end of 2020 was very welcome. I hope he does not mind my being a little sceptical about that, because NAMA has not delivered in this area to date. Any future Government will need to take this on board because, if we are to depend on NAMA to address the imbalance in the housing market in Dublin and the rest of the country, we must realise it will not happen.

The Government has stated it is to deliver 14,000 additional social housing units over the next five to six years. I remind the Minister of State that in Dublin city and county over the past four years, the Government has delivered 388 social housing units. In my area, Fingal, the Government has the fantastic honour and record of having delivered two social housing units in the past four years.

The Minister of State did not mention the waiting lists for social housing when he said he hoped to deliver 14,000 houses. Some 90,000 people - some would say 120,000 - are waiting. What I am looking for is a bit more vision. We have had proposals in the past on social housing and the delivery of housing that have not come to pass. I hope that any future Government will see through the promises made in the statement this evening.

There is a massive housing problem, including in terms of homelessness. I have not seen any reference to raising the rent supplement, although I could be wrong. I have looked for one in the short time I have had to go through the budget statement and documentation. Perhaps this is a matter that the Minister for Social Protection will implement. It is of grave concern, given that there is a rent crisis in the country, particularly in the area of rent supplement.

The Minister of State referred to 600 additional gardaí. That figure in itself is welcome, but it will only just make up for the number who retire in the period in question. Last year we had 300. There is no mention of bringing back parity of salary and allowances for new gardaí who pass out of Templemore with their colleagues who may have been there for two or three years at the same rank but who are earning less. It is about fairness. These are the matters I would like to see addressed. Despite this budget, which I acknowledge contains good measures, I would like a better focus on those who need assistance, such as those who are struggling to pay their mortgages right now, those subject to repossession orders and those who have civil bills lodged against them in the courts on a weekly basis. I am surprised that there was no mention of them in either speech. They are the people who really need this Government's assistance.

I would welcome the Minister of State's comments on my contribution this evening and look forward to the continuation of this debate on budget 2016.

Senator Michael D'Arcy: I welcome the Minister of State and I also welcome Senator O'Brien's contribution, which was positive in the main, which is a good thing. We tend to have less eating one another up in this Chamber than in the other House.

A falling debt ratio means very little to the public. The truth of the matter is that most people do not understand it. I spoke to a gentleman yesterday who said that we are closer to the next

recession than we are to the last one. When one hears a statement like that, one realises how true it is. We have got to get our debt ratio down and explain to the public what that means. To put it into context, in 1997 the State spent €18.5 billion at budget time. A decade later, the then Government spent €63.5 billion. That was spending gone mad and the era in which we lost the run of ourselves. What we have done today is put into place the final budget of this Administration but as has been mentioned earlier, we are only half way through the process. This Administration said very clearly on day 1 that a ten-year programme was required which is why the Taoiseach has said that this Government will run until spring 2016.

Senator Darragh O'Brien: He should go to the park.

Senator Michael D'Arcy: I appreciate that and believe he is doing the right thing.

We must look at the headline figures. Our receipts in 2015 from taxes were €44.6 billion, while receipts for 2016 are expected to be over €47 billion, an increase of almost €3 billion. VAT is up by €750 million, corporation tax is up by €500 million, capital gains tax by €250 million and income tax by €1 billion. These figures would suggest that the growth that has started will continue, which is essential because if we do not grow our economy, we are at nothing.

I heard my colleague from the banking inquiry, Deputy Pearse Doherty, say that the State is not redistributing wealth. However, according to figures released today, the income tax take will be €19.15 billion while the welfare budget will be €19.6 billion. Every penny that comes in through income tax is going back out in a direct payment. I would ask that people look at the figures and understand them because some are coming out with uninformed, mean-spirited and silly comments.

As illustrated on page 100 of the expenditure booklet, of the €19.6 billion referred to, €7 billion is spent on old age pension payments - the biggest payment from the State. A further €2.6 billion is spent on child benefit. That means that we are spending €9.6 billion, or almost half of the Department of Social Protection budget on payments for old people and children. I believe that is appropriate. The next largest payment is to carers, who receive €3.5 billion. These people do an outstanding job on behalf of this state. A sum of €5 billion is spent on working-age employment and income supports, that is, on people who are unemployed. These figures need to be broadcast because there is such a lack of knowledge of this issue.

I was trying to find figures for the family income supplement payment and perhaps the Minister of State can help me out in that regard. I have consistently said that work must pay. Indeed, I have been saying that for years and am glad that others are now agreeing with me on that. We had a report from Professor Richard Tol from the ESRI, which was very quickly retracted, which indicated that families on welfare are better off than those on low pay. Finally the Government is trying to do something about that. The politics that I espouse is about allowing people to earn more and is not about impoverishing those on welfare and reducing rates of pay. That said, one must ask how one does that. Does one increase the minimum wage? Employers may not like it because 50 cent an hour for a 40-hour week will cost €20 gross per employee. That will, of course, be allowable against income tax. We are allowing people to earn more and to be taxed less. I welcome the changes to the universal social charge, USC, particularly the removal of tens of thousands more people from the USC net. Our colleagues on the other side of the House introduced the USC as an emergency measure. It yields €4 billion to the State so when that amount is reduced, the money must come from somewhere else.

I support the reduction in the pupil teacher ratio at primary level. However, there is no mention of DEIS but perhaps that will come later. DEIS schools were so designated at the beginning of this century - in 2002 or 2003. It is an outrage that this has not been reviewed because there are some schools which have DEIS status but which no longer require it. Areas have evolved, children have grown and moved on. At the same time, there are schools in other areas which badly need DEIS status but they are excluded.

Senator Fidelma Healy Eames: It has been re-evaluated.

Senator Michael D’Arcy: That is what I am saying. It needs to ---

Senator Fidelma Healy Eames: No, I said it has been re-evaluated.

Senator Michael D’Arcy: We must target the money to ensure it goes to the children who require it most.

I welcome the changes to the early childhood care and education, ECCE, scheme. That is money well spent. All of the longitudinal studies show that money spent on early education is superbly well spent.

The local property tax freeze will not be welcomed by our friends in opposition who tried to scare the daylights out of people by claiming it would increase by between €500 and €2,000 and that people would get nothing for that money. If one looks at the figures, 40% of properties are in band 1, which means owners are liable for €90 per year. I welcome the fact that the rates are being frozen and accept Senator O’Brien’s point about properties in Dublin. That said, Dublin gets a far larger spend in terms of education, transport and so on, which cannot be ignored.

Senator Darragh O’Brien: What about metro north?

Senator Michael D’Arcy: I spoke with an older gentleman earlier this week who said that he has been around for countless budgets. He does not count them in ones or twos but in tens. He said that in his experience, money is given with one hand and taken back with the other. However, for the last seven budgets, no money was given back - it was all taken. On this occasion, I welcome the opportunity to give people back some money so that they can spend more and revitalise the economy.

I will not deal with NAMA now but would like to welcome the €10 million fund for an affordability housing pilot scheme. I know what it means to be displaced from one’s own area. The population overspill in the greater Dublin area is displacing people in other areas. While it is important that there is a focus on homelessness and social housing, there must also be a focus on the affordability of housing for working people.

Finally, I wish to refer to an issue mentioned by the Minister for Public Expenditure and Reform, Deputy Howlin, namely, the €500 million for IDA Ireland for regional property solutions. County Wexford, but specifically Wexford town, which is one of the finest in the country, was excluded by IDA Ireland. That decision should be revisited. The concept of the south east is outdated. There is no longer a south east, but a Dublin corridor from Louth to Rosslare and the rest of the country. Wexford should be considered in this context and I hope the Minister of State will relay that point to the Ministers for Finance and Public Expenditure and Reform.

Senator Katherine Zappone: I welcome the Minister of State to the House. Today Ireland has money to spend. It is the peoples’ money so it must be spent properly, for all of the people.

It must be spent in a way that ensures that those who suffered most in the austerity years will benefit more than those who suffered less. This is the formula to tackle inequality and to spread the money fairly so that more people can participate in driving the economy.

No one wants a charity model for the economy. The young, the long-term unemployed, third level graduates, people who are disabled and the elderly do not want charity, they just want a level playing field. I spoke with a woman in Tallaght last week who said that her widow's pension had been reduced by €78 per month over the past three budgets. I do not see that increasing in the figures for 2016, which were released today. I know many of the people who are in the one-in-seven category of the population who live on an income which is less than that which marks the official poverty line. Of these, 15% are people who stay at home - mostly women - and another 15% are students. Not surprisingly, 20% of those who are unemployed live below the poverty line, which, in monetary terms, is the equivalent of €202 per week. Even more surprising is the fact that the 12% of these individuals who are at work are poor. I question how this budget improves their living standards. Will they be better off proportionally than those who did not suffer as much? I do not think they will if we have a 50-50 split to spend the people's money by reducing taxation and increasing investment in public services equally. This was not the ratio used when we cut €30 billion out of both our economy and society between 2008 and 2014. We took €30 billion out by cutting public services by 70% and increasing taxes by 30%. I think a better rule of thumb for equality would have been a 70-30 split to ease the burden and offer hope to those whose living standards are below the fairness line.

I am not sure that I heard the word "poverty" being used in any of the preceding contributions but perhaps I missed it. It does not appear until page 75 of the expenditure report, and that is in the context of reducing poverty and hunger in Third World settings, which is telling. I welcome the added funding to tackle homelessness but I wish these funds could have been made available earlier in the year. We have over 1,300 homeless children in Dublin and throughout 2015 an average of 250 people per month in emergency accommodation in South Dublin County Council. We are all aware of the immeasurable social costs which accrue when a child has to spend a year in emergency accommodation. My question is: when did we become aware that our revenue streams would be significantly higher than were forecast - we are €2.3 billion off in that regard - and was there an opportunity to act sooner? Many households that rent in the private sector will be disappointed that the reported rent certainty package is not included in today's budget. Rents are rising and we need to stabilise the market. However, I think we need to remember that the landlords involved mostly on a small-scale basis and are struggling too. The unaffordable, unstable rental market need to be reformed in a mutually beneficial way. That is why I put forward policy and investment proposals to stabilise rents through the introduction of a number of voluntary tenancy agreements to provide more rent certainty for tenants and tax incentives for the landlords who sign up to them. My proposals include social and solidarity tenancy schemes, both of which could unlock supply considerably quicker than the magic wand of NAMA. The proposals could offer something for those landlords in negative equity and people who are homeless right now and who are obliged to "self-accommodate", that is, those who - even in light of the support available from the various homelessness teams and authorities - take on the responsibility of seeking a place in which to live. Those schemes are also being put forward for the thousands who will soon be seeking refuge on our shores. The proposals are currently being costed by the Department of Finance. Perhaps some of the additional €69 million for social housing announced earlier today could be used to fund them.

I would increased funding to be provided for Traveller housing, for permanent accommoda-

tion and to ensure safety so that tragedies such as the fire at Carrickmines will not happen again. While flying flags at half-mast represents a very appropriate response regarding the grief of the nation, the requisite deeds should follow this symbolic act if it is to mean what it should mean. From 2007 to the present, funding for Traveller housing has been reduced from €70 million to €4.1 million.

I now turn to the issues related to child care and early education for children. I have advocated in favour of investment in affordable early years education and care for the past 15 years. I wholeheartedly welcome the Government's decision to invest in our children and working families by means of the extension of paternity leave, the provision of €15 million for children with disabilities and the focus on evidence-based care. The sector will require additional funding to meet the increased demand and I acknowledge the Minister referred to the restoration of capitation fees, which are essential in the context of delivering quality services. It is critically important to provide appropriate pay and working conditions for those in the sector so I look forward to reading the fine print of the Minister's proposals. Many people who currently work in the sector are obliged to go on the dole in the summer months because they do not have yearly contracts. If the capitation rates have not increased sufficiently for stability and professionalisation of work in the sector it will not be possible for the sector to provide the kind of quality for children from the age of three as put forward in the budgetary proposals today. It may not even be possible for the sector to provide the additional places from September 2016, places that the Government and I agree we so dearly want.

I will conclude on the budget changes relating to lone-parent supports. This is another welcome initiative. In the six previous budgets, lone-parent supports were cut repeatedly and disproportionately and this resulted in more than 60% of those living in lone-parent households experiencing deprivation. The rate in this regard is 30% higher than that which obtains among the rest of the population. The controversial measures to restrict the eligibility to one-parent family payments were met with public outcry. I organised a public forum here in Leinster House for lone parents and brought their concerns and views forward in a Private Members' motion which called on the Government to engage in a comprehensive review of its policies. One of the key requests from lone parents was that the income disregard for those on the job-seeker's transitional arrangement would be brought into line with the other one-parent family payment. I am glad the Government listened. I still believe, however, that it is a relatively small step after the six years of disproportionate cuts experienced by this group.

I welcome the reduction in teacher ratios in primary and post-primary settings. I also welcome the encouragement for entrepreneurs and the support for small businesses. As I have done in the past, however, I request that the supports for entrepreneurs and small businesses be extended a little bit more generously to those who are operating within the social entrepreneur sector, particularly within their own communities.

Senator Aideen Hayden: Overall, this is a good budget. The response to it has been good because we have been able to turn the economy around in the years that we have been in government. Ours is the fastest-growing economy in Europe. The latest ESRI forecast indicates that the Irish economy will grow by 6% this year.

Last year the Government introduced the first expansionary budget in some time, with a net €500 million invested in the economy, in tax cuts and in expenditure increases. That represented a €2 billion turnaround because we took €2.1 billion out of the economy the year before. This year we are seeing a turnaround in that we are now putting €1.5 billion back into the

economy. This represents a €3 billion turnaround from last year. I understand there is supplementary expenditure in the region of €1.5 billion, so what we are actually seeing is €3 billion additional expenditure into the economy. People must remember that €30 billion was taken out of the economy over nine successive budgets and supplementary budgets. The economy was absolutely on its knees. It is wonderful that we have reached the point where we can now do the things we want to do and we must all be grateful for this.

Other Senators and the Minister have made the point - and we all agree - that the best route out of poverty is a job. This Government is determined to return the economy to full employment by 2018 and has made significant progress on that. This budget goes a significant way towards making work pay. We have given a commitment to increase the national minimum wage by 50 cent. This means that the national minimum wage will have increased by 20% during the Government's term of office.

A number of people have said that this Government's budgets have been regressive but that is not correct. The tax and welfare systems have been highly effective in reducing inequality during the crisis. A study indicates that Ireland is among the top three OECD countries - it is to the fore among European member states - in terms of progressivity. Ours is now a more equal society than was the case at the beginning of the crisis. It is worth mentioning that even though there have been successive budgets in which we had no option but to cut, we maintained and improved equality in society, and that was in the face of extraordinary fiscal pressures. We maintained core welfare payments supporting a basic standard of living for welfare recipients, but today the Government has gone further. I particularly welcome the move to restore child benefit and the Christmas bonus, and the €3 per week increase to pension benefits. There are many others - the restoration of the carer's support grant, the increase of €2.50 in the fuel allowance, the increase of €5 per week in the family income supplement threshold for each of the first two children, and so forth. This is a family-friendly budget. That does not include the various measures that have been taken in the area of education, the improvement in the pupil-teacher ratio and the changes that have been made to the ECCE scheme in terms of child care.

Something that has not been mentioned and which I think is very important because it impacts on many people is that the Government has placed the fair deal nursing home scheme on a fully funded demand-led basis and has committed Government funding of €944 million in 2016 in order that everyone who needs fair deal will be approved within four weeks. That is really important. We live in an ageing society and I do not know one single family in this country that does not have to deal with the issue of support for elderly parents or relatives.

We could and certainly can say that it has been a wonderful budget and we have had money to spend and so on, but I have to point to two issues where I believe we have not provided the support we should have done. I want to mention the situation of people under the age of 26 who live in this country. A number of Governments, including those in opposition when they were in government, reduced their entitlements to benefits over a number of years. The reasoning behind this was to encourage young people into employment, education and training. I do not and never have favoured discriminating against people simply because they are under the age of 26. Will the Minister of State take a message back to Government that now that we have resources to spend, we must treat all the people of this nation equally, and that includes the younger members of society.

I am very disappointed by the housing package presented in the budget. I left this point to last because I did not want it seem as though I did not welcome the budget. I had been hopeful,

as many Members know, for a housing package that included a number of measures, including rent certainty proposals to limit the rate of rent increases for those living in rented accommodation. One in five families lives in rented accommodation and the budget is a missed opportunity to provide relief for low-income tenants. A minimum wage increase of 50 cent per hour is very welcome but it will have little effect for those people who face monthly increases of €200 and €300. It is vital the Government introduces rent certainty measures sooner rather than later to make a real difference to the lives of families who face the prospect of homelessness. We are in the middle of a crisis. The extent of our housing crisis threatens to derail our economic recovery. Recently some international firms have brought to our attention the issues they have in terms of accommodation for their staff. While I welcome the increased funding for homelessness services, our priority must be to prevent homelessness in the first place. More than 700 families in Ireland are homeless. Threshold, the organisation of which I am chair, has estimated that we face the prospect of another 700 families presenting to homelessness services over the winter months. They will be in crisis if we do not put a stop to the runaway train we have in the rental market.

This is not a problem of success; it is a problem of failure. These families are not homeless because of our economic recovery. They are homeless because of our failure to regulate greed and manage the housing market. Let me be clear, these families have been economically evicted. They are homeless because they could not afford to pay rent increases. Rents in Dublin rose by 35% between 2011 and 2014 and increases are between 10% and 15% in 2015. This is not uniform. These are average rent increases. Services see 20%, 30%, 40% and even 50% rent increases. There is legislation drafted and proposals before Government to introduce a form of rent certainty into Irish law. I know these measures have the full support of Minister for the Environment, Community and Local Government, Deputy Alan Kelly. The Minister for Finance has concerns about interfering with the market but we interfere with markets every day of the week. There is not a single market in which we do not interfere. More important, the Government has a moral duty to deal with homelessness. I would argue that there is also a constitutional imperative to deal with the housing crisis in the interest of the common good. I understand there will be discussion on this in the next week and I urge both Ministers to come up with a package of measures to deal with the rent increases or to take the moral responsibility of facing every family who become homeless because of their inaction. These families will remain homeless and more will join them if we do not deal with this issue.

Senator Fidelma Healy Eames: Hear, hear.

Senator Sean D. Barrett: I welcome the Minister of State. The Minister for Public Expenditure and Reform, Deputy Howlin, said that the increase in public expenditure will be just under 4% higher than in 2014, and he contrasted that with earlier times of more spendthrift operations. Those of us who sit on the Joint Committee of Inquiry into the Banking Crisis know how much that has cost and I welcome the increase in the banking levy that has been announced in the budget because we will need that reserve unless there is evidence that banks have reformed themselves and are unlikely to crash again. The Minister expects to take in €750 million from a bank levy over the next five years. That is important and while I welcome that levy, it is not sufficient for people to come in and say they are sorry. Have they reformed? Have we guarantees that they will not do it again?

The increase in the minimum wage is worth about €1,000 a year. That is more than most of the other benefits that were announced. One might conclude that the Minister is better at giving away other people's money than he is at giving away his own. Somebody else will bear the cost

of the minimum wage increase.

The Minister for Finance referred in his speech to “keeping the tax base as broad as possible”. That is the thinking that lies behind the vexed question of the water charge. Part of the case made was that too many people were allowed out of the income tax net by former Minister for Finance, Charlie McCreevy, in particular. When one looks in the Budget Statement at the effective tax rates on average earnings, the effective tax rate after today on a gross income of €15,000 for a self-employed person will be 10.7% and when it increases to €120,000 it will be 43%. That is the progressivity that people have mentioned all day today. Senator Hayden has also mentioned it. The problem with the water tax is that it is a poll tax. It is a fixed sum regardless of consumption or income. We should look at that. To say it broadens the tax base neglects the fact it has serious adverse impacts. The people I have seen on water marches seemed as though they could not afford a lump sum of €260, even if they get €100 back. It is important to reduce the tax burden on low-income people and to keep targeting that.

The pension fund levy is gone. It was ironic that people who had unfunded pensions advised the Government to put a levy on people with funded pensions to help pay for the crisis, but we have done away with that.

To encourage entrepreneurs and to support small businesses, a reduced capital gains tax of 20% will apply.

6 o'clock

The Minister of State said this relief will represent a simplified and up-front benefit for individuals who propose to sell their business. He is about to become an ex-entrepreneur, if he says “have a tax break” to become an ex-entrepreneur. That seems a very strange measure - if one such person sells a business the Government will give him or her a tax break for doing so.

I agree with the Minister of State’s misgivings about continuing the special VAT rate, in particular, on hotel rooms in Dublin. I think he warns them that this will be reviewed. I have heard of rates that have doubled and we have heard more in terms of special events. When the Exchequer had nothing, we gave the hotel sector a break and the hotel sector in Dublin, in particular, ought to remember that.

The taxation of the gross weight of heavy goods vehicles is a proposition we put twice to the Minister for the Environment, Community and Local Government, Deputy Kelly, and the then Minister of State, Deputy O’Dowd, and I am glad the Minister is coming around to appreciating that what is on the truck damages the road. That is what we are trying to do to recoup the cost of roads. I note from the details that it is based on the weight per axle rather than the gross weight of the vehicle but the present method of taxing heavy goods vehicles never made economic sense. We have made the point here a couple of times and I am delighted it is being taken on board.

In regard to reform of the public service, we need to enhance the way in which capital projects are appraised. The document published last week in respect of €27 billion lacks appraisals and conviction that these are projects that will benefit society as a whole. Therefore, a stronger input is required from the Government’s economic and evaluation service.

In his Budget Statement, the Minister for Public Expenditure and Reform, Deputy Howlin, mentioned the minimum wage and referenced €1,000 per year and measures to restrain the

growth of public expenditure so that we do not get into trouble.

There is one point on which I seek clarification from the Minister of State, namely, the proposal at primary level to reduce the pupil teacher ratio from 28:1 to 27:1. The *bord snip* report, page 43, mentions a pupil teacher ratio of 16:1. I wonder if there has been a mistake in that particular calculation. At post-primary level the staffing schedule was 16:1 as stated on page 43.

Senator Marc MacSharry: It is primary.

Senator Fidelma Healy Eames: This one is correct.

Senator Sean D. Barrett: What was mentioned today was a ratio of 28:1. I do not know what is the difference between the two figures but what we want is 16:1. That is what I commend because all the evidence, as several speakers have said, is that the early years of education are vital and valuable in the development of the next generation. Perhaps the Minister of State will check those figures.

On the issue of social housing, we have had developers at the banking inquiry admitting they priced themselves out of a market. A traditional house being available in Ireland for two and half times average earnings became 12 times average earnings but is now six times average earnings, which is still above the European and OECD average, as has been pointed out by the OECD. What can we do with the stock of housing? We have evidence from *Daft.ie* that houses in Longford cost less than a third of what they cost in the Dublin area. Some 90% of this building programme is in the Dublin area. Is there scope for getting the stock of empty houses, so-called ghost estates, made attractive? They will always cost less than in cities but there are other disadvantages. Perhaps one of the ways in which we can develop the midlands to attract industries there is that people would have much lower housing costs there. I see no need to keep the developers who wanted to live in Ballsbridge and buy Aristotle Onassis's yacht for wedding purposes and so on. What we need is people who can produce houses again for two and half times average incomes. That is where the emphasis should be. The overall emphasis in the budget is correct. There will also be parts of a budget where this House will make suggestions to Ministers. As the Leader pointed out when the abolition of this House was being debated, that is a function of the Seanad. A good dialogue was started by the two Ministers in the Dáil Chamber today. I welcome the Minister of State continuing that.

Acting Chairman (Senator Michael Mullins): I call Senator Maurice Cummins. I understand the Senator is sharing time with Senator Paul Coghlan.

Senator Maurice Cummins: Yes, four minutes and two minutes.

Acting Chairman (Senator Michael Mullins): Is Senator Cummins taking four minutes?

Senator Maurice Cummins: Yes.

Senator Paul Coghlan: I am giving the Senator the four minutes.

Senator Maurice Cummins: Last week, Senator Mark Daly, as leader of the Opposition and leader of Fianna Fáil, was looking for extra expenditure in many areas and at the same time accused the Government of borrowing to fund services. That is typical doublespeak from the other side of the House. As the Minister of State has pointed out, borrowing and the budget deficit were 12.5% of GDP when we took office. This year it will be down to 2.1% of GDP and we hope to attain budget surpluses by 2018.

The last few budgets have been hard but have made it possible for Ireland to exit the bail-out, reduce our debts and move into real recovery which we see now. The top priority of this year's budget was to keep that recovery going while providing relief and better services for the people. It includes steps such as a cut to the universal social charge, more nurses and doctors for the health service, more affordable and quality child care and ending the unfair treatment of the self-employed. These are sensible and affordable steps that will keep the recovery going and bring its benefits to more households. The increased entry point for the universal social charge at €13,000 will bring to more than 700,000 the number of low earners who are exempted from the charge. The cuts in the lower universal social charge rates and bands will also help the lower earners and make work pay.

Tax cuts will encourage our emigrants to come home and are key to attracting foreign investment. Over five budgets the Government has restored our public finances without taxing jobs, a key election promise, and helping to create 125,000 jobs since An Action Plan for Jobs in 2012.

I turn to one positive point I saw in the budget in respect of the road haulage sector. As a person who worked in the shipping and transport sector, I welcome the significant changes in road tax for the road haulage sector.

Senator Sean D. Barrett: Hear, hear.

Senator Maurice Cummins: It addresses the major discrepancies which necessitated companies having to set up in, for example, Northern Ireland. This is a very positive step which will be accepted by all concerned in the road haulage sector.

Looking briefly at the Sinn Féin budget book which if it were on sale in a bookshop it would certainly be in the fiction category. It proposes €1.1 billion of new taxes, even though the recovery is fragile. It opposes the Government's tax cuts for ordinary working families. In the Sinn Féin plans there would be no universal social charge cut for any person earning over €19,500 - just over the minimum wage. Its proposals to abolish the 41% tax relief on pension contributions would hit private and public sector workers. Public sector workers are obliged to pay pension contributions. Independent experts have calculated that a garda or nurse on €40,000 would lose approximately €800 per year under the Sinn Féin proposals.

The Government has reduced inheritance tax while Sinn Féin would increase it, hitting middle Ireland. A son or daughter inheriting a house would be considerably worse off under Sinn Féin.

At the next election, people will have a choice between securing our recovery and gambling on policies that would create instability and put our future at risk.

Senator Paul Coghlan: The budget is all about fairness and will be broadly welcomed by all fair-minded people, as it was by Senator Darragh O'Brien in his own way. As the Minister of State noted, we must secure and enhance the recovery and abide by the fiscal rules. The budget will benefit everyone because the reductions in the universal social charge from 1.5% to 1%, from 3.5% to 3% and from 7% to 5.5% and the increase in the USC entry threshold mean we will all have more money in our pockets. Retailers, publicans, farmers and people with trades will gain. I also greatly welcome the commitment to progressively abolish the charge over the next five years.

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As someone from County Kerry, I greatly welcome the retention of the 9% VAT rate on the tourism and hospitality sector. I concede the point made by the Senator Barrett that Dublin is making a case for having it removed in the sense that every Member from outside the Pale is well aware of increases in hotel rates in the capital. That is, however, a matter for another day.

I also welcome the proposal by the National Asset Management Agency to develop 20,000 houses in the next five years. These will be mainly starter homes, 90% of which will be located in the greater Dublin area, where they are needed most as a result of the serious supply problem here. The threefold increase in the Christmas bonus for hard-put recipients of social welfare payments is also welcome because people are always stretched at that time of the year and face additional impositions.

The Government promised to fix the public finances and restore growth in the economy and it has done so. It promised to make work pay and has lived up to that promise.

I also strongly welcome the removal of the pension levy, which was an unfair measure that was imposed through necessity. I am grateful it is gone.

Senator Marc MacSharry: I welcome the Minister of State to the House. I am pleased to have an opportunity to make a few points about the budget. It is great to have a budget that gives something rather than takes more away. I do not want to disappoint anybody, but that will be my only positive comment.

Senator Michael D’Arcy: I expected the Senator to get at least a minute out of it.

Senator Marc MacSharry: It seems the new word in everyone’s vocabulary is “space”. As Senator Barrett will be aware, the Chairman of the banking inquiry constantly spoke about space. In any case, the recovery has provided fiscal space in the economy. Ultimately, this is a people’s recovery, rather than a Brendan Howlin, Michael Noonan, Fine Gael or Labour Party recovery. People sacrificed so much in recent years that we now have room for manoeuvre.

The recovery occurred for two reasons - namely, external factors such as low oil prices, low interest rates and high export growth, and the implementation by the Government of the four-year plan drawn up by the former Minister for Finance, the late Brian Lenihan. Having opposed the plan in its entirety in advance of the previous general election, the Labour Party and Fine Gael in government implemented every aspect of it. The Taoiseach, the Minister for Finance and, to a lesser extent, the Minister for Public Expenditure and Reform travel the world on a back-slapping trail collecting accolades that arguably belong to the late Brian Lenihan. They then return home and blame Fianna Fáil and everyone else for everything that occurred. As Senators Barrett and Michael D’Arcy will confirm, the Minister for Finance informed the banking inquiry that the Government had implemented Brian Lenihan’s four-year plan when he described it as a pretty good plan which he decided to stick with.

Senator Hayden argued that the Government’s previous five budgets were not regressive. The Economic and Social Research Institute, not the Fianna Fáil Party, concluded that the previous five budgets were regressive in that they focused on the higher paid and returned a little more to that group than to other groups. The same applies to the current budget. For example, to take the changes in the universal social charge, a person with an income of €18,868 will pay the same rate of USC as a person on 3.5 times that income. That is not equal.

While certain things have improved in statistical terms, the Government’s greatest failure

has been the two-tier recovery. Of the jobs created through foreign direct investment, FDI, 95% have been in the greater Dublin area. One can imagine how such statistics sit with the more than 50% of the population who live outside Dublin in rural and regional areas, especially when considered against the backdrop of an allocation of a whopping €30 million over the next six years to offset the difficulties the recession caused in rural areas, where only 5% of FDI jobs have been created.

In the case of housing, a dividend from the National Asset Management Agency will result in the construction of 20,000 houses by 2021, of which 90% will be built in the greater Dublin area. This will leave 2,000 new NAMA homes for the rest of the country. If the Government were to alleviate the housing problem in County Sligo by addressing the waiting list of 1,000 people, only 1,000 new homes would be left for the other 24 counties outside Dublin. One can understand the reason this would create an issue.

Senator John Gilroy: The Senator should provide some facts. He has spoken only of the NAMA element and omitted to mention 90% of Government investment in housing.

Senator Marc MacSharry: Perhaps the Acting Chairman would like to regain control of the Chamber.

Acting Chairman (Senator Michael Mullins): Please allow Senator MacSharry to continue without interruption.

Senator Marc MacSharry: The budget does not contain any measures to reduce hospital waiting lists. The decision on whether to hold the election on November or March 2016 has been a topic of discussion. I wonder what will be the Government's view in January when the waiting lists are even longer.

We have 171 vacant consultant posts because consultants will not stay in Ireland. Despite being trained here to the highest possible standard at a cost of hundreds of thousands of euro per annum, consultants are choosing to move abroad for big money. The Government is recruiting people from other countries who, arguably, are educated and trained to a lesser standard than the graduates of our medical schools in University College Dublin, the National University of Ireland Galway, University College Cork, the Royal College of Surgeons and elsewhere. They are being educated to the highest standards, undergo consultant training for five years and are then exported to earn \$800,000 or \$900,000 abroad. This is not a racist comment but a statement of fact. For example, more than 50% of the physicians in Sligo Regional Hospital are from other countries.

Senator John Gilroy: That sounds a little racist to me.

Senator Maurice Cummins: Is the Senator arguing that we should pay consultants \$800,000 or \$900,000?

Acting Chairman (Senator Michael Mullins): Allow Senator MacSharry to continue without interruption.

Senator Marc MacSharry: Those are the facts.

I am sure pensioners are delighted with the derisory €3 increase in their weekly pension. Will it pay for a cup of coffee and a scone? Perhaps it will in Sligo, but I doubt it would pay for coffee and a scone on St. Stephen's Green. I wonder what they think of the increase of €800

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per week in take-home pay that some people will receive? Did the Government prioritise to the extent it should have prioritised? Did it take the opportunity of spending an additional €1.5 billion on trying to address the issues that need to be addressed? The answer is “No”.

This was a continuation of the classic set piece which started in the 1970s and of which all parties, including Fianna Fáil, were guilty. I would like to think my party is learning from its mistakes, having correctly paid for them the hard way. Following all the lies we were told in advance of the previous general election, the Government delivered the plan produced by the previous Minister for Finance, the late Brian Lenihan, and has sought accolades that are owed to him. It has botched the opportunity afforded by a fiscal space of €1.5 billion, to use the Government’s terminology, by failing to prioritise the people who are most in need. It has cast aside rural and regional areas and the elderly, who received a derisory €3. It did nothing for people in mortgage arrears and as, Senator Hayden, noted, it did nothing for people paying rent. On the contrary, the Government has presided over 1,000 repossessions in the past year, of which 616 were family homes. Since 2011 it has been possible to protect family homes, but the Government does not care about that issue. Its only care is being re-elected; that is all that counts. It has thrown €1.5 billion at those areas that it believes will produce the most votes. Sadly, this budget will underpin the divide between the haves and have-nots. The the greatest failure of the Houses of the Oireachtas over the past five years has been presiding over a two-tier recovery, and that is set to continue.

Senator John Gilroy: I was beginning to wonder whether I was still in the Seanad Chamber or had suddenly found myself at the Kilkenomics comedy festival or something. The argument from Fianna Fáil, particularly from Senator MacSharry, to whom I have been listening for five years, seems to be that when Fianna Fáil was in government the Opposition decried calls for increased public spending and now that we are in government Fianna Fáil is saying something else. It seems that when Fianna Fáil is in government it is in opposition, and now that it is in opposition it seems to be in government. Senator MacSharry’s analysis has very little to do with any piece of reality at all.

Senator Marc MacSharry: No punditry, now. Come on. Tell us the facts. Leave the punditry to the pundits.

Acting Chairman (Senator Michael Mullins): Senator Gilroy without interruption.

Senator Marc MacSharry: If the Acting Chairman was as quick to reel in his colleague I might listen to him.

Acting Chairman (Senator Michael Mullins): I reprimanded him as well.

Senator John Gilroy: As if I needed it to be proved.

Senator Marc MacSharry: Come on, Senator. We are listening.

Senator Fidelma Healy Eames: Less of the theatrics, please, and proceed.

Senator John Gilroy: I thank the Senator. She is excellent.

Senator Fidelma Healy Eames: Yes, absolutely. Let us do it.

Senator John Gilroy: That is very helpful.

I listened to the Sinn Féin contributions in the other House and read some press releases afterwards. One point referred to how the budget treats young people, in terms of how they are ignored and cast adrift. A clear example of the difference between the policy pursued by this Government and that which might be pursued if Sinn Féin was ever in government is illustrated in those statements. The best and surest way out of poverty is to create jobs. This Government has facilitated the creation of almost 100,000 jobs since it came into office. The young people about whom the Sinn Féin Members have spoken are often not in full-time education and in the most precarious of jobs, such as those with zero-hour contracts and minimum wage rates. One cursory glance through the figures today shows that somebody who is on the minimum wage of €17,000 a year - who is likely to be one of these young people - will be €708 better off each year. We are ambitious for our young people. As far as I can see, everything Sinn Féin has said about trying to get young people back to work and give them opportunities and education involves giving them more dole money.

Fianna Fáil has accused us of trying to buy the election. The figures show that we have increased public spending by 4%. Similar figures from Fianna Fáil, which tried to buy elections in the 2001 budget, for the 2002 election, and in the 2008 budget for the 2009 election, show that spending increased by an incredible 139%. Is it any wonder that it has no credibility at all when it comes to the economy? The party that used to cod us all by saying and repeating that it was the party of economic competence turned out to be the party of absolute incompetence. Fianna Fáil has to make these arguments because it is in opposition. The budget is progressive and the Opposition needs to criticise something. It is our job to sit back and listen to the Opposition scrambling for something to criticise.

Let us take a look at some of the figures that have been announced today with regard to the reduction in debt. In 2012 our debt repayments were €12 billion. This year the reduction has been in the order of €3 billion, and the figure will decrease to approximately €1 billion next year. Those in opposition said four, three and two years ago that this could not be done. They did not have the ambition for Ireland that we had.

The Government did not create this great recovery; rather, it was the people of Ireland. For Fianna Fáil and Sinn Féin to say otherwise is to insult the electorate. Surely in the run-up to an election, or at any time, it is imprudent to do that. Senator MacSharry referred to 20,000 houses, but failed to mention the €2.2 billion in capital investment. He also failed to mention the €69 million that brings the total this year to €414 million for local authorities to acquire 14,000 houses. He missed the €500 million for the social housing strategy and the €17 million for homelessness, bringing to €70 million the total spent on homelessness between this year and last year. These figures are conveniently ignored by the Opposition. It instead focuses on one element to the exclusion of everything else.

The full package of investment in social and other housing is in the region of €2.5 billion in the medium term. We have figures to show that by 2021 an additional 20,000 extra houses will have been built. By any standard, we have to say that this is a good thing. I am not sure we are claiming credit for it, because it is, after all, the money of the people of Ireland, but surely it is a good thing that we are delivering on these promises.

The reason for the continuation of the homeless crisis is twofold. One reason is that Fianna Fáil allowed the housing bubble to expand to such a degree that every builder was put out of business. The second is that-----

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Senator Trevor Ó Clochartaigh: The Government did nothing.

Senator John Gilroy: Were we in government? Was the Senator in government? The same argument applies to him.

Senator Trevor Ó Clochartaigh: The Government has been in place for four and a half years and has done nothing.

Senator John Gilroy: The second reason is the over-reliance by the Fianna Fáil Government on Part 5 of the Planning Act to deliver social housing. The amount of investment-----

Senator Trevor Ó Clochartaigh: The Government has done nothing since.

Senator John Gilroy: Senator Ó Clochartaigh must have joined Fianna Fáil, or must be about to, given his vociferous defence of it.

This budget is progressive and decent. It is a good start, it is prudent, and it sets the parameters for discussion and investment for the next three or four years. We should consider the record of those in government because past performance is an indication of future performance. Those who were in government before made a mess of things. We have been prudent. If we are to continue with that, we need to be returned to government next time in order to implement a full five-year programme. We will go to the people in the fullness of time.

Senator Kathryn Reilly: Senator Gilroy mentioned that the Opposition would be scrambling for something to criticise. Unfortunately, some people did not have to look very far to find criticism in the budget. I will go through some of that later.

The key to any budget day announcement is that there should be some long-term programme, because only then will we be able to see how the details of any budget service that programme. I do not think that has been done today, or in the capital plan announced a number of weeks ago. Long-term planning is not sexy and does not roll off the tongue when one is on the doorsteps talking about elections but, ultimately, it is the stuff of economic and social prosperity. When people ask us what difference it will make to them, it is the absence or presence of housing waiting lists, people waiting on trolleys, special needs provision and disability services.

Looking to services over the next couple of years, the State faces demands for higher expenditure in the areas of health, education, social protection and pensions as the composition of our population changes. In addition, the cost of providing the existing level of public services is likely to rise in line with the forecast general rise in prices and wages in the economy.

A number of weeks ago during the pre-budget debate in this House, I mentioned the capital programme announcement. The economist Michael Taft has said that the projected €27 billion expenditure on public investment between 2016 and 2021, as outlined, actually represents stagnation. In 2015 public investment was about 1.8% of GDP, and the €27 billion package over six years represents around 1.9% of GDP. That means that between this year and 2021 the average annual increase will be less than €250 million.

The best way to describe this budget is that it is like *déjà vu*. If we cast our memories back to a time when, for example, corporate taxes were slashed, capital gains tax and inheritance tax were halved and the effective personal tax rate fell by 25%, we could see ourselves back in the 1997 to 2007 era. At the time that was grand. The money was rolling in from property tax revenue and then came the crash. We were exposed, and our hollowed-out tax base, which hid

behind the fig leaf of property taxes and development, was exposed.

Let us now consider budget 2016 and all the little goodies that are being dangled before us. We are hoping that the shiny distraction of tax cuts, tax relief and buzzwords will distract the Irish people from the realities of what is happening. The 50:50 split between tax and spending cuts is more of the same old idealists' budgetary policy that benefits high earners in the main and strips public services of desperately needed investment. The cut to USC and changes to PRSI will put three times more in the pocket of someone earning €70,000 compared to the average worker. The Minister is giving those earning €25,000 a meagre €227 annually, yet he has put over €900 back into the pockets of individuals earning over €70,000. By reducing the USC in an inequitable way, cutting CGT and raising the threshold for CAT, and reducing corporation taxes, the Government is hollowing out the tax base for the long term and reducing the State's coffers. It is deeply dishonest.

While some money has been put back into people's pockets, the Government is exacerbating the notion that people are only consumers. These tax cuts are coming very much at the expense of critical public investment. The Government might be giving a feel-good budget, but the people will be forced ultimately to shop for their pensions, education and health care in the future. We are not seeing that long-term programme that I was talking about. We are seeing the creation of some kind of shopping centre with the menu of tax breaks and the famine of real investment.

I sat attentively while listening to the budget being delivered, waiting to hear what would be done for young people, and yet again there was nothing. It highlights the Government's apathy towards young people. Senator Gilroy mentioned that the Sinn Féin policy is merely a policy of giving young people an extra few euro, but Sinn Féin policy, like that of Labour's own youth wing which lobbied Deputies, Senators and councillors in the Labour Party and last week even met the Minister for Public Expenditure and Reform, Deputy Howlin, is one of welfare equality. Senator Hayden was on the Labour Youth Facebook page this week mentioning that those under 26 have to pay rent and cover their living costs just like everyone else, and that what we end up doing is pushing young people into poverty for no justifiable reason. That is an important point. I was very annoyed that we did not see the restoration of jobseeker's allowance rates for young people. Not everyone of the Minister of State's age and mine is fortunate enough to have the salaries and expenses of an officeholder. Both the Minister of State, Deputy Harris, and I were under 25 when we came into these Houses, but jobseeker's allowance for young people was cut both by the previous Government and by this one. It is important that it is restored and that we achieve both welfare equality and equality right across the board for young people. The Minister of State mentioned, for example, that the Minister for Public Expenditure and Reform was in a position to announce an increase in pension payments and an increase in the fuel allowance. He stated: "These targeted increases are important for the groups concerned and will again help to ensure that the benefits of recovery are widely spread." We need to see a recovery for young people also.

The Minister for Finance, at the end of his speech in the Dáil, stated that "today's announcement will be further developed if we are returned to Government". When one makes a comment like that, who needs an election manifesto? Maybe that might win over some but as they start to get their water bills or see their relatives on trolleys, waiting for hospital appointments, living in sub-standard accommodation or, worse, dying on the streets from homelessness, he can be assured that this spoonful of sugar will not help the medicine go down.

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Senator Trevor Ó Clochartaigh: Hear, hear.

Senator Cáit Keane: I am sharing time with Senator Hildegarde Naughton in the ratio of four minutes to two.

Acting Chairman (Senator Pat O'Neill): Does Senator Keane want me to tell her when four minutes are up?

Senator Cáit Keane: The Acting Chairman is never slack in doing so.

I welcome the Minister of State, Deputy Harris, to the House. It is good to welcome him here today for the 2016 family-friendly budget. We have had many a tough time here in this and the other House where we had to introduce budgets that none of us really felt comfortable doing. It was a significant challenge to us, both on the social and economic fronts, to have to do that. It is a good and, indeed, a joyous occasion to be here when we can put money back into people's pockets. After four budgets which were crucial to regaining economic stability in the country, we are now in a strong enough position to invest again in our social services and support the developing fortunes of our nation's working people.

Throughout the life of this Government, many Members have stood and proposed alternative economic approaches in this House but it is obvious from the economics of today that the Fine Gael Party and Labour Party approach to managing our finances has paid off. The budget deficit has been reduced from 12.5% to 2.1%. Unemployment is down from over 15% to 9.4%. We enjoy the highest level of economic growth in the OECD. As a country coming from where we were, that is something of which to be proud. Sustainability is the key to progress and, as Senator Cummins stated earlier, stability in Government is key to forward growth for this country.

I will not have time to mention all the positive measures that I would like to comment on in this budget but there are elements that I have been working on for over 20 years. I wholeheartedly welcome the preschool and early childhood education programme. The education and welfare of our children is a top priority for all in the country and all of the Departments. I welcome the budget increase in the Department of Children and Youth Affairs allocation of €1.1 billion. Children will be eligible for free preschool from the age of three to five and a half years - until they go to school. We know the benefit of early childhood education. It is good for the country, it is good for the child and it is good for the family. More women back to work is good for the family and work life as a whole. Indeed, it is a better package where all children will be able to afford to go to preschool. Not too long ago, even five or ten years ago, only the children of the rich could go.

I wholeheartedly welcome €15 million extra for preschool for those with special needs. That amounts to €33 million in a whole year for the special needs programme to ensure that children with special needs, who could not participate because there was not really any support for preschool teachers in that regard, can do so in early childhood education. We have provided an increase in the preschool capitation grant. Hopefully, this will enable better wages to be paid to those working in preschool as well.

The two weeks' paternity leave sets a precedent on how families are understood in this country. Gone are the days of the marriage bar. The future looks more equal for all the family, both men and women.

Some €3 million is provided for after-school services for 8,000 places in community child care settings and private child care providers will be able to look to provide some of those as well. I note the roll-out of free GP care to children under 12, the 2,260 new teaching posts, and a reduction in the student-teacher ratio. I hope Senator MacSharry, who is gone, is listening.

Senator Diarmuid Wilson: I will let him know.

Acting Chairman (Senator Pat O'Neill): Senator Keane has 30 seconds remaining.

Senator Cáit Keane: On the homeless and housing, I note the increase of €0.5 billion. As has been stated already, the increase of €69 million for social housing will enable local authorities to source accommodation for an additional 14,000 households and the 500 modular units. I note there is a €17 million increase in funding for emergency accommodation and the use of €10 million from the sale of Bord Gáis Éireann for the affordable housing scheme. Obviously, it is not enough and we will have to keep on doing more because homelessness and housing are a priority.

Regarding the Lansdowne Road agreement and the restoration of wages for the public service, I want councillors, as public servants, included in that and I ask the Minister of State to refer to that aspect.

Senator Hildegarde Naughton: I welcome today's progressive budget and I welcome the Minister of State to the House.

Time does not permit me to go into all the areas that were raised today in the budget but, in general, I welcome the 2,260 extra teachers, the reduction in the pupil-teacher ratio for both primary and second schools, the respite care grant restoration which is a key area and the reduction of the USC right across the board as well as supports for the self-employed.

I will focus on the area of child care provision and the €85 million injected today under budget 2016. These are the first steps to ensuring that we have a quality and affordable child care system in Ireland. I recently held a public meeting in Galway where many of the issues that were mentioned today were raised. We now have the situation where the free preschool year will be extended. It is currently at 38 weeks per year and this will be extended by 23 weeks on average. That will mean that on average parents will make a saving of €85 per week per child. That is a significant figure for families who are out there struggling, trying to work and trying to find child care for their children.

There also will be three different times during the year where a child can enter the preschool system - September, January and April - and not only in September as it currently stands. It makes preschool more flexible for parents. One is looking at children who will be turning three or four at different stages during the year.

The two weeks' paternity benefit is a positive step for fathers and for families. Also, the capitation grant for preschools was a major issue for many child care providers, who wanted it restored. In addition, for child care providers who wanted to improve their qualifications, the learner fund is being increased by €1.2 million.

Acting Chairman (Senator Pat O'Neill): Senator, will you conclude now, please?

Senator Hildegarde Naughton: I am finishing up shortly.

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Acting Chairman (Senator Pat O'Neill): Senator, there are other speakers.

Senator Fidelma Healy Eames: This is very unfair.

Senator Hildegarde Naughton: Finally, I wish to refer to a very important issue. I know the Minister of State has a special interest in the area of special needs provision. I welcome the €15 million in budget 2016 to improve support for special needs children.

Senator Trevor Ó Clochartaigh: Tósóidh mé leis na dreamanna nach bhfuil ró-shásta, b'fhéidir. I find it amusing to hear the talk about child care announced in the budget. My understanding of the early childhood care and education scheme is that it is three hours per day. It is preschool, not child care. As a father of five, I know there is a major difference between child care and preschool.

Senator Fidelma Healy Eames: Exactly.

Senator Trevor Ó Clochartaigh: Preschool is an education support as well. The attempt to sell a couple of extra hours per day as child care is incorrect.

Senator John Gilroy: Should we take it back?

Senator Trevor Ó Clochartaigh: Another group of people who are very disappointed today, I imagine, are lone parents who have suffered savage cuts under this Government, in particular the cuts introduced by the Minister for Social Protection, Deputy Burton, last year. She reduced the age of eligibility to seven years. It is a shame that something was not done in that area. Since we are discussing child care, it is a shame there has been no announcement around the Scandinavian child care system we were promised when those cuts were brought in.

Obviously, there are positive things in the budget but I am very disappointed. I spoke in a debate with the Minister of State, Deputy McHugh, earlier on Raidió na Gaeltachta. I remarked on the complete and utter disdain this Government has shown for the Irish language and the Gaeltacht areas once more in the cuts the Government has brought in to Gaeltacht areas, including a 20% cut for Foras na Gaeilge and a practical cut for Údarás na Gaeltachta at a time when we are trying to maintain jobs in Gaeltacht areas. Why are the increases being given to Enterprise Ireland and IDA Ireland not being given to Údarás na Gaeltachta to create jobs in Gaeltacht areas? Are we second-class citizens?

Rural areas cannot see much benefit from the budget today. It was unfortunate that an increase in the farm assist programme was not brought in and that more spaces were not made available on the rural social scheme.

Education is another area where people are going to be very disappointed. One of the headlines I saw today was to the effect that it is not a budget for those under 25 years of age. The Government has not addressed the situation of the astronomical fees that students going to third level are being asked to pay. This was a great opportunity to put to right that wrong and to bring down the astronomical costs that are driving people out of the education system, especially those from socioeconomic groups that do not have much cash.

Several other cuts could have been reversed. The Government could have re-examined the cuts to the bereavement grant, the telephone support or the back-to-school allowance. Those areas should have been redressed in this budget.

It is farcical to hear Senators from the Government side calling this a progressive budget. It is progressive for those who are on higher incomes. Approximately 50% of those in the workforce are on wages of €28,500 or less.

Senator John Gilroy: It is the opposite of regressive.

Senator Trevor Ó Clochartaigh: Let us consider the analysis done by the Department of Finance on the way this will impact on people. We can see that people earning over €50,000, €60,000 or €70,000 benefit. The top 14% of earners are going to get three times more money back into their pockets than people on the lower levels. How is that progressive or fair? People on low incomes are finding it difficult to make ends meet yet the Government has decided on this policy. The Labour Party has backed the Fine Gael Government with its Tory-style economics to try to put three times more money back into the pockets of people who have far more money to begin with. It is totally disgraceful on the part of the Government.

I note that fishermen seem to have been hammered as well. There has been a cut in the capital grant available for fisheries. This has not been touched on in the commentary so far.

The Government has shown its true colours today. Those in the Labour Party have shown that they buy into the Fine Gael school of economics. In fairness to Senator Gilroy, much of it follows on from the model that had been proposed by Fianna Fáil previously. Certainly, it is not the type of budget that Sinn Féin would have brought in. We would have brought in something more fair.

Senator John Gilroy: We are more interested in curing the ills than maintaining them.

Senator Trevor Ó Clochartaigh: We have shown that this Government has a great battle on its hands, especially on the water issue. There is nothing in the budget to assuage any of the people who have not paid their water charges and who have no intention of paying their water charges.

There is nothing in the budget to show me that this Government has a real strategy to end the crisis in our health system, for example, the number of people on trolleys or the number of people waiting for outpatient appointments.

Senator Maurice Cummins: There will be extra nurses and doctors.

Senator John Gilroy: There will be extra gardaí too. Sinn Féin does not like that part of it.

Senator Trevor Ó Clochartaigh: There is nothing in it either to show me that there is a clear strategy around ending the crisis in housing. If anything, the strategy is putting more and more resources into the hands of private developers and allowing the market to rule itself. We have seen what a disaster that can be.

When we were doing analysis of the figures on Raidió na Gaeltachta earlier we noticed that there appears to be a cut to the money available for the rental accommodation scheme. Although there is a crisis in that sector, it would appear that there will be less money available under RAS next year than this year.

Senator John Gilroy: That is not true. It is the opposite.

Senator Trevor Ó Clochartaigh: That is not the case according to the figures we have

seen. This was not denied by the Minister of State at the table with us at the time.

Senator John Gilroy: That is wrong. Senator Ó Clochartaigh should read it.

Senator Trevor Ó Clochartaigh: The Minister of State should tell us what is in this for small and medium-sized enterprises. There is little here for rural areas. For farmers, this is simply an extension of what is in place already. The Government is hammering the Gaeltacht and Irish language organisations. Basically, the Government has carried on the Tory economics. The Labour Party is on board with that agenda. The Government has let down under 25-year-olds. Those on the Government side should be ashamed of themselves.

Senator Terry Brennan: I wish to share three minutes with my colleague, Senator Mullins.

Acting Chairman (Senator Pat O'Neill): Is that agreed? Agreed. I will tell you when your three minutes are up.

Senator Terry Brennan: I could talk for three hours, such is the bounty of the goodies. I welcome the reduction in the pupil-teacher ratio at national and secondary school levels. The 600 new resource teachers are most welcome. Fully €1.25 billion has been invested in school buildings under this Government's watch. A total of 102 new schools have been built and 71 large-scale school extensions have been built. Fully 2,260 new additional teaching posts, including 600 new resource teachers, will be filled in addition to an extra 610 special needs assistants and 190 resource teachers.

I welcome the significant reduction in transportation costs, as has my colleague, the Leader, Senator Maurice Cummins. Transportation costs are a major issue for every business in Ireland. The commercial motor tax rate reductions are most welcome. Road tax for large goods vehicles is far too high when compared with Northern Ireland rates and those in the rest of the United Kingdom. There are 20 existing commercial road taxes to be reduced. I am pleased to note that this will be reduced to five. They range from €92 per annum to €900. This change will have effect from 1 January next. The most significant reductions are concentrated on the large goods vehicles, a major industry in the north east and along the Border counties. The maximum rate of commercial motor tax will be €900 per annum, down from €5,195. The latter figure was in no way comparable to the rates in the United Kingdom and Northern Ireland. This will represent a major boost to the road haulage industry. I could say more but anyway I congratulate the Minister State.

Senator Michael Mullins: I welcome the Minister of State. Those of us who came to the House four and half years ago could not have believed that by now we would have exited the bailout, started to reduce our debts and started moving to a real recovery situation. The priority in this budget is clear: to keep the recovery going while providing better services for the people. This includes cuts in the universal social charge, more nurses and doctors for the health service, more affordable and greater quality child care as well as an end to the unfair treatment of the self-employed. These are sensible affordable steps that will keep the economy going and bring benefits to more households. It is a good budget for children. We have seen further investment in education, more teachers and a reduction in the pupil-teacher ratio. It is good for older people in that we have seen an increase in the pension and the fuel allowance and the restoration of the Christmas bonus. It is a budget that will make it pay to work.

I welcome the fact that the Minister for Justice and Equality, Deputy Fitzgerald, has an-

nounced that 600 new gardaí will be recruited in 2016. There will be increased funding for Garda surveillance of criminal activity and special operations and the budget for Community Alert and Crimestoppers is to be doubled. As we all know, there is a major issue with rural crime throughout the country, so this is a significant investment. A measure of whether the budget was good or bad is contained in a press release issued this afternoon by the European Anti-Poverty Network in Ireland. This alliance of over 250 national and local organisations has welcomed the provisions in today's budget which, it said, will mitigate some of the worst impacts of the policies of the past eight years for those on low incomes. In particular, the EAPN welcomed the announcement of a number of provisions for homeless services and housing, the partial restoration of the Christmas bonus, the increase in fuel allowances, the emphasis on the reduction of the USC for the lower paid, and the increased provision of preschool care.

That is a much more reasonable assessment of the budget than what we have heard from some Opposition spokespersons here today. The Ministers, Deputies Noonan and Howlin, have done a good job. Hopefully we will see the economic recovery escalate as we head into 2016 and beyond.

Acting Chairman (Senator Pat O'Neill): Senator Healy Eames has three and a half minutes.

Senator Fidelma Healy Eames: Three and a half?

Acting Chairman (Senator Pat O'Neill): That is it. The Minister of State is replying at 6.55 p.m.

Senator Fidelma Healy Eames: Obviously I am disappointed, given that I have been here since 5.15 p.m. Some things in the budget are welcome, while I am disappointed about others. It is good to see a move on the USC to bring taxation under 50%, but it is still a major tax. There has been no move on the pension levy for PAYE workers, which is appalling. There is a move for the self-employed but not for PAYE workers. I know a young nurse who pays €108 every two weeks in a pension levy, yet only €8 into her own pension.

I am glad to see a freeze on the local property tax, which is essential given the management charges some people are paying. The Minister for Finance said that on average a person will gain one week's pay. That was his assessment, but is that a gross or net weekly figure? It is poor that a person on €35,000 per year will only gain €57 per month, whereas a couple on €105,000, which is three times that income, will gain more than three times the benefit. Why is the gain not proportionate?

It is really disappointing that the telephone allowance has not been restored for older people and those with disabilities. They feel insecure due to rural crime and because the mobile network is unreliable.

Child care allowances are not so good for all families. I welcome early childhood investment and have produced a report on it. However, the allowances will not reduce costs for parents with young children. The early childhood care year allowance is only for three hours per day. What parent works for only three hours a day? If we want to relieve the cost on families we should cover the eight-hour day, so the provision is not great.

The situation is appalling for third level students because there is no move on the €3,000 student contribution charge, while the rental sector is out of control. There is nothing in the

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budget for families with children in third level education because the Minister has not touched those sectors.

I welcome the provision for extra teachers, but is there something in there for career guidance teachers? Can a teacher be appointed as a career guidance counsellor within that measure?

The Minister is giving the health sector the same €13 billion, but there is nothing in the budget about outcomes, reducing waiting lists or the elective lists.

When will one new extra house be built for the homeless? How long will the modular programme houses last and who will get that contract? If NAMA is to be a new housing agency, that is fair enough, but I presume we will need new legislation to differentiate the roles in that regard.

I was hoping for a little imagination concerning carbon emissions. We are in danger of not meeting our carbon emissions targets by 2020. We have an excellent opportunity to offer some tax incentives to corporations to reduce their carbon footprint and invest in public transport. We need better public transport in Galway city and rural areas.

Acting Chairman (Senator Pat O'Neill): I must ask the Senator to conclude.

Senator Fidelma Healy Eames: There is much to say but it is appalling when only two hours are offered for a budget review.

Acting Chairman (Senator Pat O'Neill): I call the Minister of State to reply. He has five minutes.

Senator Fidelma Healy Eames: Just two hours for that.

Senator Gerard P. Craughwell: This is grossly unfair.

Senator Fidelma Healy Eames: Yes, it is unfair.

Senator Gerard P. Craughwell: I come in here time after time-----

Acting Chairman (Senator Pat O'Neill): Senator Craughwell, you could have moved an amendment to the Order of Business today. Did you move it?

Senator Gerard P. Craughwell: In fairness-----

Acting Chairman (Senator Pat O'Neill): Did the Senator move an amendment to the Order of Business?

Senator Gerard P. Craughwell: -----you have allowed speakers to go over time.

Acting Chairman (Senator Pat O'Neill): There is no need to stand up, Senator.

Senator Gerard P. Craughwell: People like me, who sit here for hours-----

Senator John Gilroy: We all sit here for hours.

Acting Chairman (Senator Pat O'Neill): Nobody went over time when I was in the Chair. The Senator is wasting the Minister of State's time. Can he please let him reply?

Senator Gerard P. Craughwell: I am sure the Minister of State would love to hear the compliments I have to pay to today's budget. It would be a refreshing move from this side of the House.

Acting Chairman (Senator Pat O'Neill): The House set the Order of Business today.

Senator Diarmuid Wilson: It might be his only opportunity to speak on the budget.

Acting Chairman (Senator Pat O'Neill): The rules of the House were laid out today on the Order of Business. I call on the Minister of State to reply.

Senator Gerard P. Craughwell: The Leader could move an amendment. I ask him to do that in the interests of fairness.

Acting Chairman (Senator Pat O'Neill): The Minister of State has five minutes.

Senator Gerard P. Craughwell: With all due respects to the Minister of State-----

Acting Chairman (Senator Pat O'Neill): Stop interrupting the Minister of State.

Senator Gerard P. Craughwell: -----I appreciate that he is caught in this rule just like I am, but this is outrageous.

Acting Chairman (Senator Pat O'Neill): The Minister of State does not make the rules. The House made the rules this morning.

Senator Gerard P. Craughwell: There were two hours and the Acting Chairman let half the people speak over time.

Senator Fidelma Healy Eames: Yes.

Minister of State at the Department of Finance (Deputy Simon Harris): I thank Senators for a useful debate which has been productive.

Senator Gerard P. Craughwell: The Minister of State missed my part.

Deputy Simon Harris: I think the Senator missed my first part. He should not miss the second part.

I hope and expect that we will have significant opportunities to debate the specific measures in the Finance Bill and the Social Welfare Bill where can tease out many of these matters. I know that sincere views are held by Senators on all sides and I look forward to teasing them out.

We have had many reasonable contributions. To sum up much of what I have heard, it is a realisation of the fact that there are many social challenges. Members on both sides of the House can list things that they would like to have seen in today's budget but quite simply were not possible because of the fiscal space. We had parameters of €1.5 billion and the Government decided to divide it 50:50 between tax cuts and expenditure. We decided to do that on the basis of continuing to embed the recovery and get to full employment.

There is one aspect though that grates with me when I hear it and this is when people talk about how money that could have been used for spending has been given back in tax cuts. The facts of the past year do not bear out that assertion. In budget 2015 we decided to reduce income tax and take more people out of the USC net. What happened was that we took in more in

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tax revenue. That has enabled us, by way of Supplementary Estimates, to invest more in health, education, gardaí, transport and the Christmas bonus. The Minister for Finance feels strongly that if one uses tax as a vehicle for growth and job creation, and not just redistribution, one can end up with more money in the coffers.

I will not have time to go through all of the points that were raised. I will have to return to a number of them. As regards the key fiscal parameters, however, it is important to recognise that we will still borrow about €2.1 billion in 2016. We all have a collective duty in the Houses of the Oireachtas to get towards a balanced budget. We now have a plan to reach that position.

A number of important measures have been welcomed by Members on all sides of the House, including investment in social housing and taking on 600 more gardaí. We have a capital plan and Senator Barrett said it is important to implement it. It will be implemented and every single measure in it will have to comply with the public spending code.

I was asked about the family income supplement and some 59,000 families will benefit from the increase in the FIS thresholds announced today. Regarding the fair deal scheme, there is a significant change. We are moving to a demand-led scheme whereby there will be funding for anybody who needs the nursing home scheme. That funding will be available within four weeks.

A number of issues were raised about rural Ireland. There are many measures in this budget in favour of rural Ireland.

Acting Chairman (Senator Pat O'Neill): I am sorry but the Minister of State has 30 seconds to sum up because of the interruptions.

Deputy Simon Harris: There are many such measures. I encourage people to read the budget documentation and then we can tease out the issues.

Senator Gerard P. Craughwell: The Minister of State is allowed to speak over time.

Acting Chairman (Senator Pat O'Neill): He is not over time; he is actually under time. There are still 15 seconds left and Senator Craughwell is interrupting the Minister of State again.

Deputy Simon Harris: I thank everybody for their contributions and I look forward to discussing these matters further with Senators.

Acting Chairman (Senator Pat O'Neill): There are nine seconds left in the debate. I ask the Leader when is it proposed to sit again?

Senator Maurice Cummins: Ar 10.30 maidin amárach.

The Seanad adjourned at 7 p.m. until 10.30 a.m. on Wednesday, 14 October 2015.