



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

SEANAD ÉIREANN

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

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SEANAD ÉIREANN

Dé Máirt, 9 Deireadh Fómhair 2018

Tuesday, 9 October 2018

Chuaigh an Leas-Chathaoirleach i gceannas ar 3.30 p.m.

*Machnamh agus Paidir.
Reflection and Prayer.*

Order of Business

Senator Jerry Buttimer: The Order of Business is No. *a1*, motion re ninth report of the Committee of Selection, to be taken without debate at the conclusion of the Order of Business; No. 1, motion re Technological Universities Act 2018 (Section 36) (Appointed Day) Order 2018, back from committee, to be taken without debate at the conclusion of No. *a1*; No. 2, motion of referral of Competition Act 2002 (Section 27) Order 2018 to the Joint Committee on Business, Enterprise and Innovation, to be taken without debate at the conclusion of No. 1; No. 3, motion re a reasoned opinion on a regulation of the European Parliament and the Council in establishing a framework for interoperability between EU information systems, to be taken without debate at the conclusion of No. 2; and No. 4, statements on budget 2019, to be taken at 4.45 p.m., with the time allocated to group spokespersons not to exceed eight minutes each and to all other Senators not to exceed five minutes each.

Notwithstanding that we had a moment's silence and a prayer at the beginning of proceedings, I propose that we stand in tribute to the late Emma Mhic Mhathúna who passed away at the weekend. On my own behalf and that of the House, I extend the deepest sympathy to her family on their very sad loss.

Members rose.

Senator Catherine Ardagh: I convey my personal sympathy and that of the Fianna Fáil group to the family of the late Emma Mhic Mhathúna. I commend her bravery and strength in recent months. Ar dheis Dé go raibh a h-anam dílis.

We have all come from either the Lower House or we were watching the announcement of the budget on the monitor in our offices. One of the cornerstones of the confidence and supply agreement between Fine Gael and Fianna Fáil is that there be a 2:1 split in favour of spending on services over tax cuts. That stipulation was in evidence in the budget, yet another progressive budget because of the Fianna Fáil influence. We heard many progressive announcements, including an increase in the old age pension, unemployment benefit, carer's allowance and the

disability allowance, a reduction in the pupil-teacher ratio and an increase in spending under the National Treatment Purchase Fund. We will also see an increase of 800 in the number of gardaí. These measures are all due to Fianna Fáil entering into a confidence and supply agreement with the Fine Gael-led Government. The influence of Fianna Fáil is clear from the fact that there has been much more progressive spending and fairness in the past three budgets.

I was disappointed, however, when it came to other elements of the budget. The Government fell short on the issue of climate change. A small surcharge was introduced in the rate of vehicle registration tax, VRT, for diesel cars but nothing that will make a significant contribution to enable us to meet our climate change targets. I read today that Lidl Ireland is to ban non-recyclable packaging in all of its stores before Christmas. That is something I welcome, but the Government could have used this budget to encourage other stores to reduce the amount of non-recyclable plastics they use.

I was disappointed with another item. Although the spending on health is huge - it is one of the largest spends *per capita* in the world - there is nothing in this budget on implementing Sláintecare; there was not even a hat tipped to it.

The housing plan announced was not that ambitious. Fianna Fáil negotiated for €300 million to be ring-fenced for affordable housing. However, but for that, I do not believe this plan will change much in producing the houses people need now. It will not go any way towards dramatically increasing the supply in the coming short period.

There will be much debate today on the budget. Ultimately, it was a progressive, fair budget. However, we need to consider where we are going with health spending, which remains high, and whether we are getting the results. We also need to ensure housing provision is key in order that all of us have somewhere to return to at night. Ten thousand people are still living in homeless accommodation, including 4,000 children, and we need to take urgent action to help them. Discussing the budget is great, but we need action. We need sods turned and housing provision to happen fast.

Senator Victor Boyhan: I refer to the sinking of the *RMS Leinster* mailboat in Dún Laoghaire. In the past few days, in Dún Laoghaire-Rathdown but particularly in the harbour town of Dún Laoghaire, there were many events to mark that tragedy. Tomorrow the Minister for Culture, Heritage and the Gaeltacht, Deputy Josepha Madigan, will represent the Government at an event in Dún Laoghaire Harbour which I am aware many people will attend.

I wish to share a few thoughts with Members. At approximately 9 a.m. on 10 October 1918 the *RMS Leinster* left Carlisle Pier in Kingstown, as it was then known, now Dún Laoghaire, bound for Holyhead on Anglesey in Wales. The ship was carrying 771 registered passengers and crew. Shortly before 10 a.m., approximately 16 miles from Kingstown, the ship was attacked by two torpedoes. One missed it, but the other hit it on the port side. We now know from documented evidence that 560 people died in the sinking of the *RMS Leinster*. This made it the largest ever recorded loss of life in the Irish Sea and the highest ever casualty rate on an Irish-owned ship.

I ask the Leader, with the consent of the Members of Seanad Éireann, to consider observing a minute's silence tomorrow, 10 October 2018, to mark the centenary of that terrible tragedy in Dún Laoghaire Harbour. It is ultimately a matter for the Seanad. I will be attending the State events tomorrow, as will a number of others. It was an important tragic event, one we should

mark out of respect for the people who lost their lives at sea.

An Leas-Chathaoirleach: I am sure the Leader will consider that proposal in due course.

Senator Rose Conway-Walsh: Ba mhaith liom comhbhrón a dhéanamh inniu le clann Emma Mhic Mhathúna agus lena leanaí. Bean chróga agus máthair iontach ab ea í. On behalf of the Sinn Féin team in the Seanad, I express our sadness and extend our condolences to Emma's children - her daughter, Natasha; her sons, Séamus, Mario, Oisín and Donnacha; her father, Peter; and her wider family and friends.

Today we must also remember those other women who have died during the cervical cancer scandal, particularly the woman who died over the weekend. We express our solidarity with and extend our condolences to her family. I also express solidarity with Vicky Phelan and the women who are coping with their illness at this time. I wish them well. We must never forget Emma's words when she said earlier this year:

I shouldn't be dying, that's what makes this a tragedy. I feel like I've essentially been murdered. I should be here another 50 years. The end of life is part of God's plan but this isn't God's plan. I'm dying because of human error and that's disgusting.

The efforts of the community in Baile na nGall in the Dún Chaoin Gaeltacht are testament to an active and well-loved member who embraced the language and culture of her new home. It was clear from her long interview on Raidió na Gaeltachta earlier in the summer that she found some peace in that place and that it was very important to her that it was in Kerry that she spent her last weeks with her beloved children.

While we have all admired her work in recent months, we must stay true to our commitment to honour her by ensuring this never happens again. Part of that is the call to action by her solicitor, Cian O'Carroll, who stated none of the 221 errors had been investigated. This is so, even though the contracts with the laboratories provide specifically and clearly that if the State wishes, it can send the Health Information and Quality Authority, HIQA, to them to find out why the errors happened, just as we need to know why they were covered up.

Emma died knowing hundreds of women and their families were still waiting for answers and the most basic information on their care or that of their loved ones. This is a scandal on top of a scandal and it must be dealt with as a matter of urgency. Emma's legacy must be truth and accountability. May she rest in peace. Ar dheis Dé go raibh a h-anam dílis.

Senator Colette Kelleher: There are 55,000 people with dementia in Ireland, which number is set to more than double in the next two decades. Approximately 50,000 people are carers, albeit the true number may be three times higher. Dementia is a progressive condition and, as such, it needs different responses from the time of initial diagnosis right through to a person's death. It is possible to live well with dementia, in particular at earlier stages when a little support goes a long way. The progression of dementia can take decades and, at the advanced stages, sufferers and their carers need a great deal of care and support. Like other long-term chronic conditions such as stroke, heart disease and cancer, dementia requires special attention and must have its own claim on the public purse.

I am co-convenor, with Deputy Butler, of the all-party Oireachtas group on dementia, the membership of which includes Senators Devine, Hopkins, Humphreys and Byrne, all of whom are active Members of the House. There was an opportunity in budget 2019 to put real money

into the range of supports people with dementia and their carers need to live well with dementia and to die well too. The Government could have prioritised closing the dementia gap revealed in the HSE's mapping exercise which was published earlier this year and broken down on a county by county basis by the Alzheimer Society of Ireland. For example, there are approximately 4,000 people with dementia and 12,000 carers in my native Cork where an investment of approximately €500,000 is required to give people living with dementia a minimum level of support.

The Government should be investing in the development of a national network of dementia advisers. A recent evaluation undertaken by UCC and published by the HSE supported wholeheartedly the development of such a network, embedded in primary care. Deputy Butler and I saw such a network first-hand on our visit to Scotland. We have seven dementia advisers nationally, but we need approximately 90 if we are to have one in every primary care network. If Scotland can afford such a network to provide invaluable support at the point of diagnosis and beyond for people with dementia and their carers, why can Ireland not have that network too?

We need to shift away from total reliance on residential homes for the long-term care of people with dementia and develop home care as an alternative and complement to nursing home provision. When asked, people and their carers have said time and again that they prefer home care to nursing homes. However, home care is just not possible. Owing to the lack of home care packages, people cannot be discharged from unsuitable hospital beds which cost the State in excess of €300,000 each per year. We also spent €1 billion on long-term residential care services in Ireland.

Budget 2019 is an opportunity to allocate resources to provide a down payment of €100 million in new funding for home care services. As such, I was disappointed that dementia was not specifically mentioned in the Budget Statement of the Minister for Finance, Deputy Donohoe, although I welcomed Deputy Cowen's response in calling for a significantly increased number of home care packages and funds to develop a national network of dementia advisers in the expectation we might see specific commitments on these in the HSE's service plan.

I ask the Leader to invite Minister for Health, Deputy Harris, or Minister of State, Deputy Jim Daly, to come before the House to make statements on what resources exactly have been set aside in budget 2019 to fund closing the service gaps for people with dementia and their carers in every county, the development of a national network of dementia advisers and a significant investment of new money in home care services. I want the Minister to indicate that all of these specific commitments will appear prominently and clearly in the HSE's service plan for 2019.

Tomorrow marks the third anniversary of the fire at Carrickmines. I pay my respects to those who perished in that fire.

Senator Aodhán Ó Riordáin: I express the sympathy of Labour Party Senators to the family of Emma Mhic Mhathúna and join colleagues in commending her courage, bravery and humanity. We will stand with all survivors in order to try to obtain justice and ensure this will never happen again.

I call for a debate with the Minister for Education and Skills on the relationship between church and State. The influence of the Catholic Church on the Government is disturbing. The Minister issued a circular on 19 February stating there was no longer a necessity for children in second level State schools to attend religious instruction and that they would be offered alter-

native subjects. The position in that regard was reversed last week. Freedom of information documents obtained by RTÉ show the level of lobbying done by Catholic Church organisations which seem to have a remarkable influence on the mindset of the Minister for Education and Skills who has changed his mind and, at the stroke of a pen, decided to place children in second level State schools who do not wish to attend religious instruction classes at a disadvantage.

The lobbying that goes on with the Government is remarkable. The private school sector brought an influence to bear on the Education (Admissions to Schools) Bill and got exactly what it wanted. The alcohol lobby brought its influence to bear on the Public Health (Alcohol) Bill. The landlord and developer class had an influence on the budget announced today. The renters and homeless were at the bottom of the list when it came to the allocation of moneys in the budget. This at a time when Ireland is gripped by its greatest crisis - social or otherwise. I ask the Leader to facilitate a long-needed debate on the relationship between church and State in the area of education. The Labour Party believes it is beyond time that this matter be discussed by a constitutional convention or a citizens' assembly in order to put a range of questions to the people and break the link between church and State in the area of education. This should also be done in the area health, but I will concentrate on education today. This change of policy at the behest of well-resourced lobby groups from the Catholic Church raises many questions as to who holds the power when it comes to education. I formally ask that time be made available for a debate on this matter.

I formally second Senator Boyhan's proposal.

An Leas-Chathaoirleach: There was no formal proposal, just a suggestion. I am sure the Leader will respond.

Senator Maria Byrne: It is welcome that the education budget is being increased to €10.8 billion. This will lead to 1,300 extra school places and the appointment of a further 950 special needs assistants, SNAs. There is also increased funding for third level and further education, especially in the areas of apprenticeships and skills. I am sure people are tired of me speaking about apprenticeships and skills but they are important.

The corporation tax credit for film has been extended to 2024. Troy Film Studios in Limerick has been a good news story. Many people have been trained by the education and training boards, ETBs, and obtained the skills necessary to allow them to work for whatever film companies come here. The combination of these two factors is leading to job creation, which is important. The combination of the extra money towards apprenticeships and skills and their expansion, together with the film corporation tax credit which is to be extended to 2024, are to be welcomed.

The Minister alluded today to the fact that the new time-limited regional uplift of an additional 5% which will be phased out over a period of time was most welcome for future development and job creation.

Senator Gerry Horkan: While this is not a formal proposal, I endorse the proposal of Senator Boyhan that tomorrow there be a minute's silence to mark the very significant 100th anniversary of the sinking of the *RMS Leinster* which was torpedoed and sank with the loss of over 500 lives. It was the greatest number of lives ever lost in a single event in the Irish Sea. It is fittingly being marked tomorrow and I would like to support the proposal that there be a minute's silence. I am sure the Leader will facilitate this proposal.

As we will discuss the budget later, I will not discuss it at this point. Even though everything is related in some way to the budget, there is a separate matter and a very serious crisis appearing and becoming more apparent every day in the secondary schools sector. Long before we bring in the Minister to discuss religious education, or instruction, as Senator Ó Ríordáin referred to it, I would prefer to see the Minister here to discuss how we are going to have enough teachers of many subjects such as continental languages, science and Irish. This is a very serious crisis appearing in many schools. I attended a meeting yesterday evening with many school principals. This is a problem in Dublin in particular. The salaries people are earning relative to the rents they have to pay and the cost of housing they have to incur means that they are not able to live in Dublin on the money they are earning. It is very difficult. Schools are talking about whether there are monasteries or convents in the vicinity to which they may have access in order to house some of their staff, not because they want to - it is not a long-term objective - but as a way of closing the gap in the short term. I want to see the Minister come to the House as a matter of great urgency to address how he proposes to have enough people in the system to facilitate the increase in pupil numbers. Even without an increase in the number of pupils which we know is coming, we are going to have a very serious crisis in many, if not all, subjects very soon.

Senator Colm Burke: I welcome the budget announcements today. It is a big change from where we were seven years ago when over €8 billion was taken out of the budget overnight. Now we are in a very good position where we have a balanced budget and can give priority to a number of areas, in particular, health and housing. An additional €1 billion was added to the budget this year. In real terms, there was a €2.25 billion increase in the health budget in the last two years, which represents a 15% increase. I hope it will help to improve services.

We must also ensure services are delivered in an efficient and cost-effective manner, something we must now prioritise. Giving additional money is all very fine, but we must also see the cost-effective delivery of services. Funding is needed for GPs at the coalface. Additional funding has been provided for that purpose. It is very important that the additional funding they require to run their practices be prioritised in order that they can provide services at a local level and that all of the additional funding not be swallowed up by the HSE, something we have seen happen previously. It is extremely important that the additional funding be ring-fenced for GP practices and to provide the support they require. It is important that this be identified at a very early stage before the final budget for the HSE and a final programme for health services in 2019 are agreed to. The allocation of extra funding is a welcome development.

4 o'clock

It is about the wise and careful use of that money now that we have it.

Senator Máire Devine: I got to know Emma a bit in the past few months. I add my heartfelt condolences. She was a woman, a warrior, who offered a portion of the €7.5 million of a settlement to see that tests would be done over the summer. She pleaded for university laboratories and people to work on those tests. Unfortunately, she became too ill to follow it through but such was her generosity. She will be sadly missed.

I want to talk about climate change on the back of yesterday's report. It is a landmark 400-page report from the United Nations on our planet and its unsustainability. It warns of unprecedented moves which are required by us all, in every country, to make us sustainable but time is running out. We have seen change and experienced and will continue to experience rising toxic oceans, deadly storms, floods and droughts. It is because of human activity on this planet,

but we are on track - this is the scariest part of it - to this becoming an unlivable planet. The report states that while we should try to hold to a 1.5° Celsius increase in temperature, we are on track to go to 3° to 4° Celsius higher, which would make our planet unlivable. We need to try to continuously get the message out. As a member of the Joint Committee on Climate Action, we hear about more localised efforts that can be done and the scary stories that happen in our own country. I feel regret that a rainy day costs €2 billion when the rain falling down will become quite toxic and relentless, leading to widespread flooding. It is happening now. It is not the future and we need to remember that, but we seem to be lazy and put it to one side. I am disappointed that there was no carbon tax increase in the budget. I would like the Minister, Deputy Naughten, if not the Minister for Finance, to address the decision made not to increase carbon tax, the reasons and what plans he has to make this planet livable.

Senator Kevin Humphreys: I wish to follow on from Senator Devine's theme. The report of the Intergovernmental Panel on Climate Change, IPCC, was quite frightening. There was an opportunity in the budget today to do something. The Government is quite prepared to talk the talk but not to walk the walk. It is becoming a real crisis and emergency.

We only have to see what happened in our own country this year, between hurricane force winds, higher than average snow and the drought throughout the summer, with hosepipe bans. Limiting global warming to 1.5° Celsius by the middle of the century is required. Rapid, far-reaching and unprecedented changes in all aspects of society are recommended by the IPCC to reach these limits.

Professor Thorne of Maynooth says the true cost of carbon is likely to be between €150 and €200 per tonne. We are at less than 10% of that figure, with very little action on the responsibilities that we have. We will miss the 2020 targets and probably miss the 2030 targets. That is totally unacceptable to me. The rates we are at are clearly not bringing emissions lower. The efforts made in the last two years were poor. Emissions are growing by 2.1 million tonnes per year. We need to cut them by 1 million tonnes per year. That is quite a deficit to govern over. We have a Minister for Transport, Tourism and Sport who talks about granny grants, grants for extensions, capital gains tax and everything except his own Department and its needs. Emissions from transport are only going one way. I call on the Minister to come to the House to explain why he is an absentee Minister and not concentrating on transport.

The Minister for Communications, Climate Action and Environment, Deputy Denis Naughten, is no better. We see the figures continuing to increase. He speaks at conferences and says what he would like to do. What is stopping him? He is the relevant Minister. The Moneypoint plant is still burning coal and will continue to burn it until 2025. We will continue to have peat-fired power stations until 2030. It is time for action and less talk. We have heard about the aspirational things the Government would like to do to tackle climate change. This a First World country, yet we are struggling to deal with the impact climate change will have on the country. Every week in this House Members raise issues such as the fodder shortage. Senator Pádraig Mac Lochlainn has referred to the effects of flooding in County Donegal that have still not been put right a year later. Third World countries in Asia and Africa, including Pakistan and India, are paying the full cost of climate change. We are putting our sins on Third World countries. We must accept responsibility; we need action, not talk. I am sick and tired of listening to the Taoiseach and the Minister talking about it. It would be a success if we could have the Minister for Transport, Tourism and Sport, Deputy Shane Ross, talking about it, but he does not seem to believe he has any responsibility in tackling climate change, let alone for his Department. At the earliest possible time I would like both Ministers to come to the House to address the serious

issue of climate change and the lack of action by Ireland. It is not acceptable for us to increase our emissions by 2.1 million tonnes, instead of reducing them by 1 million, to which we have committed. I look forward to the Leader coming back as early as possible to let us know when that debate will take place in the House.

Senator Frank Feighan: Last Saturday in the Guild Hall in Derry in solidarity with my colleagues I attended a commemoration to mark the 50th anniversary of the civil rights march. I was delighted to meet Pat Hume, wife of John Hume, and many others. It was a very moving cross-community event, at which President Higgins received a standing ovation for his speech on civil rights which ranged from poverty, inequality and injustices. It was nice to see such a cross-community event being held in the Guild Hall, which shows how far we have come in the past 50 years. I am very concerned by the results of a recent poll which show that 87% of “Leave” voters in Northern Ireland would absolutely put the price of Brexit above the collapse of the peace process. We must be very vigilant in the coming months to ensure we keep not only the lines of communication open but also cross-community events. We must never forget people such as Eamonn McCann, Ivan Cooper, John Hume and many more who turned up on that fateful day which changed the course of history on the island of Ireland.

What happened last Saturday night at the UFC event was not good for the standing of the Tricolour. What went on inside and outside the octagon, with people parading the Tricolour, was not good for the country. We should reflect on what we call a sport. It is a sport for some, but I do not think it created a great shopfront for the country. It was very disappointing. I hope that in the coming months and years we will not see a repeat of what happened last Saturday night.

An Leas-Chathaoirleach: I heartily agree with Senators’ fine sentiments on the sad passing of Emma Mhic Mhathúna.

Senator Jerry Buttimer: I thank the 11 Members of the House for their contributions on the Order of Business. I join with all Members who have expressed their words of sympathy on the death of the late Emma Mhic Mhathúna. Senator Conway-Walsh is correct: the legacy she leaves should be such that this never happens again. Irrespective of where we are from or who we are, we are all appalled by the tragedy that has unfolded, the human stories involved and the loss of life. There must be accountability; there must be answers and there must be a path put forward such that this will never happen again. I fully concur with the Senator.

I thank all the Members of the House for their contributions on the budget. I think it is fair to say some people will be happy, that others will be unhappy and that there will be those who will never be happy. That is the way it will be. As Senator Colm Burke said, if one looks at what we are adding to the country in terms of investment in public services and tax modifications, compared with where we were a dozen years ago under the dreadful regime of Fianna Fáil in government which decimated the country, is it not wonderful that today we have a Government with a budget that can give to the people in terms of tax breaks and investment in public services?

I do not want to pick a row and say Fianna Fáil got this and whoever else got that. The important point and the benefit of the confidence and supply agreement is that we have had a Government in place for three budgets. Others can shout from the sidelines with their voodoo economics and claim all kinds of projections, but the reality is that the Government is committed to ensuring the economy which is near full employment will be managed prudently. For

the first time in a decade we have balanced the books, which means that if there is a downturn again, we will be able to borrow money in order that we can continue to invest in public services and people.

The fundamental point for me is that the budget is about investing in people. As Senator Ardagh said, it is about ensuring money is put aside for housing, which is very important and a Government priority. The Government is committed in the budget to the development of 10,000 new social houses and 25,000 new homes in general and an investment of €2.4 billion in housing and €310 million in affordable housing, the biggest State investment in affordable housing in a decade. This is in addition to the fact that we will see a spend of €146 million on homelessness services and €310 million on affordable housing. This means that the Government, through a variety of ways, will be able to ensure people - men, women and children, citizens of the country - are able to have a house of their own. This is the aspiration towards which all of us in politics must work to ensure we deliver for people. It is extraordinary that on the eve of the budget, in Dublin Mid-West, Sinn Féin councillors could oppose the construction of 975 houses.

Senator Ardagh also referred to Sláintecare. The health budget enables us to progress Sláintecare. The budget provides for funding for a new integration fund; a GP contract; extra mental health services; initiatives to reduce waiting lists; a reduction in prescription charges; the creation of 100 new therapist posts; and an additional amount of money bringing the mental health budget to €84 million. We are seeing significant increases in investment in health.

Many Members referred to the issue of climate change and the carbon tax. I draw Members' attention to the Minister's budget speech, in which he made a significant statement on carbon tax and climate change.

Senator Kevin Humphreys: It is all talk.

Senator Jerry Buttimer: It is important to recognise that the Minister has committed Ireland to joining the Paris collaborative on green budgeting. He has ensured that in the national development plan €1 in every €5 of Exchequer investment will be devoted to climate change measures. Senator Humphreys raised the issue of the Moneypoint power plant. It is this Government that is ending the grid's dependency on the Moneypoint power plant.

Senator Kevin Humphreys: In 2025.

Senator Jerry Buttimer: As the Senator was a Minister of State in a Government, he knows quite well-----

An Leas-Chathaoirleach: The Senators will have a further opportunity when we discuss the next item.

Senator Jerry Buttimer: It is a great sign of a budget when the main Opposition party can come in and all it can talk about is 2025. The Government is committed-----

Senator Kevin Humphreys: Statements on the budget are to be made later.

An Leas-Chathaoirleach: It is the next item.

Senator Jerry Buttimer: The Government is committed. Senator Humphreys criticised the Minister for Communications, Climate Action and Environment, Deputy Naughten. The

Minister published Ireland's first statutory national adaptation framework in January, which committed Ireland to achieving certain targets.

Senator Kevin Humphreys: None of them has been reached.

Senator Jerry Buttimer: In budget 2019 we will see the following: €103.5 million for improvements in grants and premium rates for planting forests; the introduction of the beef environmental efficiency pilot scheme which will improve carbon efficiency in beef production; €70 million for the targeted agricultural modernisation scheme; and an additional €70 million for the environmental waste management programme, all of which are working.

An Leas-Chathaoirleach: I was going to suggest the Leader come in again on the next item - statements on the budget - because he has a lot to say.

Senator Jerry Buttimer: I thought the Order of Business-----

An Leas-Chathaoirleach: The Leader will have a lot to say then.

Senator Jerry Buttimer: I thought I was replying on matters raised on the Order of Business.

An Leas-Chathaoirleach: That is grand. I will not interrupt the Leader's reply.

Senator Kevin Humphreys: The Leader criticised me for not sticking up for the budget. Emissions are increasing by 2.1 million tonnes per year.

An Leas-Chathaoirleach: Order, please.

Senator Jerry Buttimer: I like to give comprehensive replies, as the Leas-Chathaoirleach knows.

An Leas-Chathaoirleach: I have noticed that.

Senator Jerry Buttimer: If one takes the logic of Senator Humphreys and others, including Senator Devine, who spoke about climate change, to its conclusion, what is extraordinary is that they want to put an extra levy on the ordinary man and woman in the cost of coal, home heating oil, peat briquettes and sticks. That is for what the Senators have argued.

Senator Kevin Humphreys: That is right.

Senator Jerry Buttimer: That is what the Senators have argued for.

Senator Kevin Humphreys: What is contradictory? There are 2.1 million extra tonnes per year.

An Leas-Chathaoirleach: The Senators can expand on all of those points when we come to statements on the budget.

Senator Jerry Buttimer: The Senators are telling the plain people of Ireland that they want to tax them more, targeting them further, but the Government is not doing that. We will have the debate, as the Leas-Chathaoirleach said.

Senator Kevin Humphreys: The Leader is denying climate change.

9 October 2018

An Leas-Chathaoirleach: We will have a debate, in which all of those points can be expanded on.

Senator Kevin Humphreys: The Leader is a climate change denier.

Senator Jerry Buttimer: I am not, no.

An Leas-Chathaoirleach: Order, please.

Senator Jerry Buttimer: I do not deny that there is climate change.

Senator Kevin Humphreys: The Leader sounds like he is.

Senator Jerry Buttimer: I am actually not; on the contrary-----

An Leas-Chathaoirleach: Order, please.

Senator Kevin Humphreys: We have to reduce the use of coal, turf and everything else.

Senator Jerry Buttimer: We are committed to doing so.

Senator Kevin Humphreys: The Leader is a climate change denier.

An Leas-Chathaoirleach: I ask Senator Humphreys to hold his peace a while.

Senator Jerry Buttimer: Senator Humphreys may well try to lay that political charge against me.

Senator Kevin Humphreys: The Leader is as bad as Trump.

An Leas-Chathaoirleach: The Leader to conclude, please.

Senator Jerry Buttimer: It is a bad sign when Senator Humphreys has been reduced to tackling the Leader of the House.

Senator Kevin Humphreys: The Leader has just spent the past five minutes attacking me.

Senator Jerry Buttimer: And I did not curse at anyone.

An Leas-Chathaoirleach: Hold on.

Senator Kevin Humphreys: I urge the Leader to read the minutes.

Senator Jerry Buttimer: I join with the Members of the House in acquiescing to the call for a minute's silence tomorrow for the commemorative event and to highlight and honour the people who died on 10 October 1918 just before 9 a.m. onboard *RMS Leinster* as it began its final voyage from Carlisle Pier in Dún Laoghaire to Holyhead in Wales. I will be happy to do that tomorrow and thank the Members for the proposal.

Senator Kelleher raised the issue of dementia. I agree with her and commend her on her work. The Minister in his budget speech, and in the annexe to the budget, makes reference to services in terms of the increasing need for homecare packages and community supports. I agree with Senator Kelleher that the model of delivery, in terms of dementia, is one we must change to ensure there is, as the Minister said in his budget speech, an integrated model of care with more stepdown and community responses for people who require same. I would be happy

to support that model.

I am happy to facilitate Senator Ó Ríordáin's request for a debate on the separation of church and state and the circular the Minister for Education and Skills issued on 19 February, according to the Senator. I am not familiar with the circular, but I will be happy to have that debate.

I join with Senator Byrne in complimenting the Minister for Finance on the education budget for the apprenticeship scheme. The issue is important and the Senator has repeatedly raised it here.

I am glad that the film corporation tax credit has been extended. I know that both Senator Byrne and I have spoken about the measure before. We have seen the benefit of it. I commend her on raising the matter. Senator Colm Burke also raised the issue in the context of the budget.

Senator Feighan raised the issue of the civil rights march. I join with Senator Feighan in commending the bravery of the men and women on that awful day in Derry in 1968. As he rightly said, there are people who should be praised, in particular Ivan Cooper and John Hume, for their work and bravery over time. The figure in the opinion poll is quite alarming. It is important that we uphold the Good Friday Agreement and stand firm in our resolve to ensure peace remains central on all parts of our island and that we never go back to the dark days of the late 1960s, 1970s and 1980s. I commend Senator Feighan, in particular, on his great work in this area. I do not mean this to be patronising in any way. He has been a beacon of hope and inspiration to many of us in how he goes about his business, building bridges in the North and the UK. That came across clearly to me last week when I was in Bishkek to attend the OSCE meeting when some of the British parliamentarians were very loud in their praise of the Senator for the work he had done. He is an example to all of us in how to build bridges and learn.

On UFC and the Conor McGregor fight at the weekend, we can all learn lessons about the promotion of sport. Sport is meant to be competitive, but it is not meant to be violent. It is not meant to send the wrong message. We are meant to have heroes. Last week I was on a flight from Istanbul to Bishkek. When two gentlemen next to me heard I was from Ireland, they said, "Ah, Conor McGregor." They were effusive in their admiration for him. Notwithstanding the remarks of Senator Feighan, Conor McGregor has a loyal following. The sport may be hard to understand at times, but I hope the sporting body in question can come back with answers.

Finally, I commend the budget to the House and assure Senator Humphreys, in particular, that we will have a very healthy debate on climate change.

Order of Business agreed to.

Ninth Report of the Committee of Selection: Motion

Senator Jerry Buttimer: I move:

That the Ninth Report of the Committee of Selection be laid before Seanad Éireann.

Question put and agreed to.

Technological Universities Act 2018 (Section 36) (Appointed Day) Order 2018: Motion

Senator Jerry Buttimer: I move:

That Seanad Éireann approves the following Order in draft:

Technological Universities Act 2018 (Section 36) (Appointed Day) Order 2018,
copies of which have been laid in draft form before Seanad Éireann on 13th September, 2018.

Question put and agreed to.

Competition Act 2002 (Section 27) Order 2018: Referral to Joint Committee

Senator Jerry Buttimer: I move:

That the proposal that Seanad Éireann approves the following Order in draft:

Competition Act 2002 (Section 27) Order 2018,

copies of which have been laid before Seanad Éireann on 3rd October, 2018, be referred to the Joint Committee on Business, Enterprise and Innovation, in accordance with Standing Order 71(3)(k), which, not later than 18th October, 2018, shall send a message to the Seanad in the manner prescribed in Standing Order 75, and Standing Order 77(2) shall accordingly apply.

Question put and agreed to.

EU Regulations: Motion

Senator Jerry Buttimer: I move:

That Seanad Éireann:

(1) notes the agreed Report of the Joint Committee on Justice and Equality under Standing Order 116 on the Amended proposal for a Regulation of the European Parliament and of the Council on establishing a framework for interoperability between EU information systems (borders and visa) and amending Council Decision 2004/512/EC, Regulation (EC) No 767/2008, Council Decision 2008/633/JHA, Regulation (EU) 2016/399, Regulation (EU) 2017/2226, Regulation (EU) 2018/XX [the ETIAS Regulation], Regulation (EU) 2018/XX [the Regulation on SIS in the field of border checks] and Regulation (EU) 2018/XX [the eu-LISA Regulation] - *COM(2018)478* **and** Amended proposal for a Regulation of the European Parliament and of the Council on establishing a framework for interoperability between EU information systems (police and judicial cooperation, asylum and migration) and amending [Regulation (EU) 2018/XX

[the Eurodac Regulation,] Regulation (EU) 2018/XX [the Regulation on SIS in the field of law enforcement], Regulation (EU) 2018/XX [the ECRIS-TCN Regulation] and Regulation (EU) 2018/XX [the eu-LISA Regulation] – *COM(2018)480* which was laid before Seanad Éireann on 3 October 2018 in accordance with Standing Order 116(3)(b);

(2) having regard to the aforementioned Report, and in exercise of its functions under section 7(3) of the European Union Act 2009, is of the opinion that the Amended proposal for a Regulation of the European Parliament and of the Council on establishing a framework for interoperability between EU information systems (borders and visa) and amending Council Decision 2004/512/EC, Regulation (EC) No 767/2008, Council Decision 2008/633/JHA, Regulation (EU) 2016/399, Regulation (EU) 2017/2226, Regulation (EU) 2018/XX [the ETIAS Regulation], Regulation (EU) 2018/XX [the Regulation on SIS in the field of border checks] and Regulation (EU) 2018/XX [the eu-LISA Regulation] - *COM(2018)478* **and** Amended proposal for a Regulation of the European Parliament and of the Council on establishing a framework for interoperability between EU information systems (police and judicial cooperation, asylum and migration) and amending [Regulation (EU) 2018/XX [the Eurodac Regulation],] Regulation (EU) 2018/XX [the Regulation on SIS in the field of law enforcement], Regulation (EU) 2018/XX [the ECRIS-TCN Regulation] and Regulation (EU) 2018/XX [the eu-LISA Regulation] – *COM(2018)480* do not comply with the principle of proportionality for the reasons set out in paragraph 3 of the Report; and

(3) notes that, pursuant to Standing Order 116(4), a copy of this Resolution together with the reasoned opinion and the aforementioned Report shall be sent to the Presidents of the European Parliament, the Council and the Commission.

Question put and agreed to.

Sitting suspended at 4.25 p.m. and resumed at 4.45 p.m.

Business of Seanad

Acting Chairman (Senator Diarmuid Wilson): We are on No. 4, statements on budget 2019. Unfortunately, the Minister of State appears to have been delayed. I ask the Acting Leader to propose the suspension of the sitting until 5 p.m.

Senator Kieran O'Donnell: I propose that the sitting be suspended until 5 p.m.

Acting Chairman (Senator Diarmuid Wilson): Is that agreed? Agreed.

Sitting suspended at 4.50 p.m. and resumed at 5 p.m.

Budget 2019: Statements

Acting Chairman (Senator Diarmuid Wilson): I welcome the Minister of State at the De-

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partment of Finance, Deputy Michael D'Arcy. We are dealing with statements on budget 2019. I invite the Minister of State to make his contribution.

Minister of State at the Department of Finance (Deputy Michael D'Arcy): I apologise for being late, but I was detained in the Lower House.

As a former Member of this House, I am very pleased to have the opportunity to contribute to the Seanad's debate on the Budget Statement 2019 which the Minister for Finance and Public Expenditure and Reform presented to Dáil Éireann earlier today.

The budgetary measures announced today are being made in the context of a strong and growing economy. Gross domestic product, GDP, is expected to grow by 7.5% in 2018 and 4.2% in 2019. There are an 380,000 more people at work today than there were in 2011 and the rate of unemployment is at its lowest level in a decade. The progress that has been made since the economic crisis has been extraordinary. However, significant challenges remain. We continue to suffer the longer-term impacts of the crisis, most notably in the slow recovery of the construction industry. We also need to guard against the competitive pressures that inevitably arise in a fast growing economy. The measures outlined in today's budget will help address these issues.

There are also significant external factors that may significantly impact on society and the economy, not least Brexit. The Minister for Finance, Deputy Donohoe, stated today that Brexit was the political, economic and diplomatic challenge of our generation. I fully agree. While we continue to work to achieve an agreement that minimises the impact of Brexit, we are preparing for all eventualities. This budget will help to ensure Ireland is in the best possible position to respond to the challenges that Brexit will bring. It does so by eliminating the headline deficit; achieving the medium-term budgetary objective of balancing the budget; building up the rainy day fund; reducing the debt burden; and investing in infrastructure and education.

Owing to the strength of the economy the public finances have improved. The progress we have made means that we will reduce our deficit to 0.1 % in 2018. Building on this progress, the Government will balance the budget next year for the first time since 2007, a significant achievement.

In a growing economy with low unemployment and strong public finances, it is only right that central government act responsibly by future-proofing the public finances and preparing for the next inevitable slowdown. For this reason, we have also committed to run budget surpluses in the future and to use them to reduce debt. The Government has also created the rainy day fund to increase the State's resilience to larger economic shocks. The fund will be capitalised with €1.5 billion from the Ireland Strategic Investment Fund and supplemented with an annual contribution of €500 million from the Exchequer, starting from 2019.

Our commitment to responsible budgeting is also reflected in the decision to withdraw the temporary stimulus measures introduced for the hospitality and tourism sector. Given current economic buoyancy, it is appropriate to do so. It is clear that the measure achieved its objectives. Ending the special rate of VAT will raise €466 million in 2019 and allow the Government to avoid reliance on once-off increases in other tax heads, particularly corporation tax. It also allows us to reprioritise expenditure to a number of key areas. The decision to restore the 13.5 % rate of VAT for this sector enables funding to be reassigned to priority areas such as housing and health. It is prudent and responsible management of the public finances.

I will now outline some of the key measures contained in today's budget. With further developing our preparations for the inevitable disruption Brexit will bring, the budget is focused on addressing the housing crisis, protecting the most vulnerable in our society and ensuring we continue to improve our competitiveness. The largest increase in expenditure in budget 2019 is in housing, to which the Government is allocating €2.3 billion. When added to the additional funding local authorities are allocating for housing next year, this amounts to an increase of 25% on the 2018 allocation. This level of support underlines our continuing commitment to addressing the housing and homelessness crisis. Some of the figures cited in the Lower House are wrong. Sinn Féin Deputies indicated the increase in funding for housing was €80 million. That is absolutely wrong. The State has never spent as much money on housing as it will spend next year.

Although all the key indicators of supply are positive and activity is ramping up considerably, there is still a long way to go to improve access for those at risk of homelessness and to increase affordability for low and middle income earners. Slightly less than €1.25 billion has been allocated for social housing. This funding will help deliver 10,000 new social homes in 2019 through a combination of construction, acquisition and leasing. This investment will bring the number of new social housing units provided under Rebuilding Ireland since 2016, to almost 31,000 units. In recognition of the extreme challenges being faced by those experiencing homelessness, an additional €30 million has been allocated for homelessness services. This will bring spending on homelessness services to €146 million in 2019.

To help to address the real problems young people have in buying a home, the Government has allocated €89 million to the serviced sites fund. This will be followed by further funding in 2020 and 2021, bringing total funding available under the fund to €310 million. This funding is being provided for local authorities to deliver low cost affordable housing. It will provide for a discount of up to €50,000 per affordable home and will support the delivery of approximately 6,000 affordable homes over the lifetime of the fund.

Providing suitable accommodation for citizens is just one of the priorities of Government. Others include provision of a modern, fit-for-purpose health system and ensuring the most vulnerable in our society are provided for through the social welfare and education systems. The Government is providing an additional €1.05 billion for the Department of Health for 2019. This will bring the health allocation to a new record of €17 billion in 2019. We are committed to using these resources to protect the most vulnerable in our society. The 2019 allocation will include an additional €84 million for mental health services, bringing the total available funding for mental health to €1 billion. There is also an increase of €150 million in funding for disability services. Total spending on disability services next year will be almost €2 billion.

The allocation for health will also facilitate a range of additional services, including initiatives proposed under Sláintecare. These include a €25 increase in the weekly income threshold for general practitioner visit cards, a 50 cent reduction in prescription charges from €2 to €1.50 for all medical card holders over the age of 70 years and a €10 reduction in the drugs payment scheme threshold, from €134 to €124 per month. To further the Government's policy of discouraging smoking, the excise duty on a pack of 20 cigarettes will rise by 50 cent, with a *pro rata* increase on other tobacco products. That will bring the price of cigarettes in the most popular price category to €12.70.

The social welfare system is in place to protect all citizens and I am pleased to say the Government has today increased all weekly social welfare payments by €5. The 100% Christmas

bonus payment to all social welfare recipients has also been restored this year at a cost of €265 million.

The Government is also investing more than €1.8 billion to support children with special educational needs, allowing for an additional 950 special needs assistants, SNAs, to be recruited in 2019. That will bring the total number of SNAs to more than 15,900, a substantial commitment to help those most in need of assistance in the education system. The funding is part of a total of €10.8 billion that is being allocated to the Department of Education and Skills, a 6.7% increase on 2018. It includes funding of €66 million to meet our changing demographics and will allow for almost 1,300 additional posts in schools in 2018.

In response to the recommendations of the independent review of the national training fund, the Government will establish a multi-annual, ring-fenced human capital initiative of €300 million in the period 2020 to 2024. The initiative will increase investment in higher education courses across the country.

Our ability to continue to invest in education and social services more generally depends on our ability to maintain competitiveness. That is why this budget contained measures to continue the Government's support for small businesses. SMEs provide most of our employment and additional Government support for this sector is crucial in the light of Brexit. A total of €950 million has been allocated to the Department of Business, Enterprise and Innovation in 2019. That is an increase of 9% on last year. Earlier the Minister, Deputy Donohoe, announced the launch of a future growth loan scheme for SMEs in the agriculture and food sector. The scheme will provide €300 million in funding and together with last year's Brexit loan scheme which also amounted to €300 million forms an important part of the Government's Brexit response.

This year has been a difficult one for farmers. With that in mind, the Government is renewing the existing stock relief measures for a further three years. To help to support more farmers cope with the problem of income volatility, the Government is extending income averaging to farms with off-farm trading income. In further support to farmers, an additional €57 million has been allocated in current expenditure to the Department of Agriculture, Food and the Marine in 2019. Some €60 million in current and capital Brexit-related supports will also be provided to improve resilience in the farm sector, as well as supporting productivity improvements in the food sector.

To maintain our competitiveness, it is crucial that we continue to invest in the transport network. In 2019, €286 million will be made available to invest in new transport infrastructure such as: the N4 Collooney to Castlebaldwin road and the Dunkettle interchange; completion of the runway overlay project at Knock Airport and; design, planning and implementation of cycling and walking projects around the country. We are also improving and expanding public transport infrastructure and services through the provision of new buses, new and extended trams on the Luas and by increasing the amount of funding available to retrofit older parts of the public transport infrastructure.

Another important part of maintaining competitiveness is to reward work. The Government has repeatedly stated that the point at which people begin to pay the marginal rate of tax is too low. A key element of staying competitive is to remove disincentives to work additional hours for those on low pay. To continue the process of remedying that, the entry point to the higher rate of income tax for all earners has been raised by €750, from €34,550 to €35,300 in the case of a single worker. The third rate of the universal social charge, USC, has also been reduced

from 4.75% to 4.5% to give a further targeted benefit to low and middle level incomes. For the 150,000 self-employed workers who make up an important part of the economy, the earned income credit will be also be increased by €200, to €1,350. The income tax changes announced today are responsible, sustainable and provide relief for those on lower and middle incomes.

Yesterday's report from the Intergovernmental Panel on Climate Change outlined the serious consequences of inaction in reducing greenhouse gas emissions. Budget 2019 builds on the commitments made in the national development plan which represents a step change in funding commitments relating to climate action. One in every €5 of Exchequer investment in that plan will be devoted to addressing climate change. In 2019 the Department of Communications, Climate Action and Environment will invest more than €164 million in targeted measures to achieve Ireland's energy efficiency and renewable energy objectives, in line with the Government's national mitigation plan. Additional climate related measures across other Departments in 2019 include: €103.5 million for improvements in grant and premium rates for planting forests; the introduction of the beef environmental efficiency pilot, BEEP, to further improve the carbon efficiency of beef production; and €70 million for the targeted agriculture modernisation scheme, TAMS.

Turning to the area of policing, three weeks ago saw the publication of the report of the Commission on the Future of Policing in Ireland. The Government is committed to reform and modernisation of An Garda Síochána. To reflect this support, the allocation for An Garda Síochána has been increased by €60 million, or 3.5%. The increase allows for recruitment of up to 800 gardaí and will support Commissioner Harris to drive the reforms citizens and gardaí deserve.

Other important initiatives announced today include support for the first round of projects under the rural regeneration and development fund; major investment in the Defence Forces; and an extension of the three year tax relief for certain start-up companies until the end of 2021. The measures announced earlier will build resilience in the economy, ensure fiscal stability and, crucially, help to prepare us for Brexit, in whatever form it takes. Budget 2019 continues the process of embedding the progress we have made in recent years. It provides record levels of funding for housing and health and eases the burden for those on low and middle incomes. Budget 2019 represents a progressive budget, with an emphasis on addressing real social needs, and it does so in a sensible, responsible and sustainable way. I commend the budget to the House.

Senator Gerry Horkan: I thank the Minister of State for addressing us. I was in the Lower House for the Budget Statement from the Minister for Finance, Deputy Donohoe, and the contributions of my party colleagues, Deputies Michael McGrath and Cowen. They had an hour between them and the Minister's speech ultimately took approximately 75 minutes. As I have eight minutes, I will try to summarise some of what is involved and point out some of the parts I wish to highlight.

I welcome the opportunity to speak about budget 2019. Fianna Fáil remains committed to providing stability in the middle of crucial Brexit talks. Following the confidence and supply agreement, many people thought we would not get to one budget, let alone three. However, here we are delivering our third budget and facilitating the minority Government. It is important to remember that Fine Gael has 49 Deputies in the Lower House and if one includes the Ceann Comhairle, our party has 45. As a result, there is not that much of a difference between the parties. The gap is narrower than it was. Our approach to this budget was to provide stabil-

ity.

Senator Kieran O'Donnell: Gerry, Gerry, Gerry.

Acting Chairman (Senator Diarmuid Wilson): We have a lot to get through. Senator Horkan should be allowed to speak, without interruption.

Senator Gerry Horkan: We stepped up to the mark, while other parties refused to play a part in forming a Government.

Senator Kieran O'Donnell: Could Senator Horkan get to the budget?

Acting Chairman (Senator Diarmuid Wilson): Senator Horkan should be allowed to speak, without interruption.

Senator Gerry Horkan: I will not heckle Senator Kieran O'Donnell for the moment. I will wait for the Limerick special later.

Senator Kieran O'Donnell: That a great prologue.

Acting Chairman (Senator Diarmuid Wilson): Sometimes it is very difficult to listen to what is being said, but I ask colleagues to please do so.

Senator Gerry Horkan: I have not even started yet.

Senator Kieran O'Donnell: This is a novel, not a short story.

Acting Chairman (Senator Diarmuid Wilson): Could Senator Kieran O'Donnell, please, not interrupt?

Senator Gerry Horkan: We will reset the clock. Our approach has been to provide stability and address policy issues during an immensely difficult international period, with Brexit and potential difficult trade negotiations with the United States emerging as serious threats to our prosperity, as outlined by the Minister of State and the Minister for Finance earlier in the Dáil. This has provided the framework for economic growth for several years. We need to be cognisant of our significant reliance on tax receipts from US corporations. While welcome, it is certainly a challenge, of which we need to be aware.

Our priorities in the budget were Brexit, housing and the health service. We have secured an increase in the budget for social housing, while a further €60 million has been targeted at dealing with homelessness. While not sufficient, it is a step in the right direction to end the scandal of homeless families living in hotels and bed and breakfast accommodation. Fianna Fáil has also secured a €310 million package for an affordable housing scheme in the next three years. This investment will be used to construct at least 6,000 homes by 2021 and includes a subsidy of up to €50,000 towards building costs on State-owned land. This will help to make homes available for around €200,000 for those who qualify. The fund will act as a subsidy for local authorities in building units which will then be sold to buyers at the build price, minus the subsidy. The moneys from the sales will then be recycled to build more homes. The scheme will be open to households with a single earner earning up to €50,000 and those with a dual income of up to €75,000. The average house price will be just over €200,000. While it is a small initiative relative to the size of the problem, it is certainly welcome.

The National Treatment Purchase Fund was abolished by a previous Fine Gael Minister,

but it has been restored under the confidence and supply arrangement, for which the Minister for Health, Deputy Simon Harris, claims great credit. It has been increased to €75 million and expanded to encompass a wider range of services such as mental health supports. Up to €3 million has been allocated for disability assessments, while personal assistant hours, home help hours and home care packages have been increased significantly. Prescription costs are to be cut by 50 cent for those aged over 70 years, while the threshold for the drug payment scheme is to be reduced by €10.

Fianna Fáil has again secured an increase in social welfare payments of €5 this year. That gives a total increase of €15 under the confidence and supply arrangement in pension, carer's allowance and unemployment assistance payments. There will also be changes to the entry point to the tax system. Fianna Fáil has focused on reducing USC for low and middle income earners. The 4.75% rate is to be cut to 4.5% as a result of our negotiations. The national minimum wage is due to be increased in January 2019.

Sinn Féin has overseen a world record-breaking period in which there has been no government in Northern Ireland. It issued a pre-budget document with a black hole in it and took a ten-week holiday when government formation talks took place in 2016.

Senator Rose Conway-Walsh: I did not know Fianna Fáil wanted to go into government with Sinn Féin so much. I did not know Fianna Fáil missed it so much.

Senator Kieran O'Donnell: Senator Gerry Horkan is following the Sinn Féin model with his message.

Senator Gerry Horkan: Sinn Féin has no credibility in taking decisions when it dived for cover in 2016.

Senator Rose Conway-Walsh: The Senator is missing us.

Senator Gerry Horkan: The Senator should not take this personally.

Acting Chairman (Senator Diarmuid Wilson): We look forward to Senator Rose Conway-Walsh's contribution. Will she, please, allow Senator Gerry Horkan to continue, without interruption?

Senator Kieran O'Donnell: Drive on, Gerry, drive on.

Senator Gerry Horkan: Sinn Féin's budget makes no provision for a rainy day fund.

Senator Rose Conway-Walsh: Really. Does it not?

Senator Gerry Horkan: I will need an extension of my time as I have so much more to say.

Sinn Féin's budget makes no provision for a rainy day fund in case there is a downturn in the future and breaks the fiscal rules by spending all of the money available. It advocated raising an extra €3 billion in taxes, including over €1 billion in corporation tax, scaring investment and jobs away. Ultimately, Fianna Fáil has taken the more difficult path of responsible politics and worked to give effect to our manifesto, while keeping faith with its pre-election promises. It is important to remember that Fianna Fáil is the main Opposition party by a fair margin. While this is a Fine Gael and Independents' budget, we have used our position to reduce the right-wing

tendencies of parts of Fine Gael and halt its indifference to dealing with the housing crisis.

As a result of the confidence and supply arrangement, Fianna Fáil has ensured a minimum 2:1 investment in services to tax cuts ratio and a switch to progressive budgets. We have focused USC reductions on low to middle income earners, raised the old age pension and increased carer's, disability and unemployment benefits payments by €15. Fianna Fáil has extended mortgage interest relief, increased the home carer tax credit and earned income credit and secured 2,400 new gardaí. We have restored postgraduate grants for low-income students, had a 10% increase in capitation grants and reintroduced guidance counsellors to secondary schools. We have also reactivated the National Treatment Purchase Fund, abolished water charges, restored group water scheme funding and boosted third level funding.

In agreeing to the third budget Fianna Fáil has provided for economic stability for 2019 while we all face the consequences of the United Kingdom exiting the European Union. We are all hopeful of a Brexit deal as it would be in the interest of these two islands and the wider European Union. The Government's focus must now be on successfully concluding the Brexit talks. Fianna Fáil will continue to act in good faith and responsibly in the coming weeks which will be crucial. As in the confidence and supply arrangement, a review will be undertaken by both parties. I thank the Minister of State for giving of his time. Brexit is everybody's focus.

While welcome, we need to be cognisant that there is a significant reliance on corporation tax receipts from large multinationals. We must also look at ways to get people to retrofit and insulate their homes to ensure they will spend less on energy costs in the longer term to combat climate change. We should use the moneys we would be spending on climate change fines to get more people to retrofit their houses, as well as to have more energy efficient transport. It is not a problem for us but for the whole world.

I welcome the Budget Statement. I am happy that my party is facilitating its progression through the House.

Senator Victor Boyhan: I welcome the Minister of State, Deputy Michael D'Arcy. I acknowledge that this is a progressive budget and that it seeks stability and the sustainability of the public finances, which is to be welcomed. Nobody needs to hear that the next general election, whether it is held in a few weeks' time or the spring, is coming our way. The issues about which people are most exercised are housing, health and education.

I acknowledge the Government's allocation of a total of €2.3 billion for the housing programme in 2019. Up to €1.25 billion is to be allocated for the delivery of 10,000 new social homes through a combination of construction, acquisition and leasing. It is disappointing that we continue to top up the private sector disproportionately. I have no problem with supporting that sector, but I am interested in building new homes, regardless of who builds them. Given that there is a substantial number of landbanks owned by the local authorities, it is questionable that we are not directing finances directly to local authorities to build houses. It is the local authorities that are best placed to build them as they have the knowledge of the needs of local communities.

I acknowledge and welcome the extra €121 million to be provided for the housing assistance payment, HAP, scheme to provide for an additional 16,760 new tenancies next year. However, the level of mortgage interest relief for landlords will be raised to 100%. I do not believe in giving additional mortgage interest relief to landlords who refuse to accept HAP tenants. There

should be a connection between the HAP scheme and mortgage interest relief. We have a problem when landlords do not accept HAP tenants. Why, therefore, should we be facilitating them with a 100% mortgage interest relief rate? Will the Minister of State feed this into ongoing considerations? While nothing will change at this stage, it is important to acknowledge this.

I acknowledge the extra €30 million to be allocated for homelessness services. Ideally, we want to put the focus on getting people into permanent homes. The increase in the allocation for the serviced site fund to support local authorities in bringing forward lands for subsidised and more affordable housing schemes is to be welcomed. It is planned that the funding will be increased by €20 million to €89 million, thus facilitating the delivery of around 6,000 affordable homes over the lifetime of the fund of three years.

There has been much excitement and talk about the Land Development Agency, but we have yet to see the legislation that will underpin it. Until such time as we see it, we do not know what funding will be necessary to get the organisation up and running. One has to question the difference with NAMA's role, functions, remit, landbanks and assets and how it will dovetail with the Land Development Agency. Is it just another fancy word for the same agency? We need to look at it, but that is for another day.

We must put all of this housing related funding in context because at the end of the day, it means nothing to the people. There are 10,000 people, including 3,600 children, who are homeless or living in unsuitable accommodation such as hotels, bed and breakfast accommodation and emergency accommodation. We all know the Minister who stood up in the House and said that within six months there would be nobody living in hotels. What is the story? Statistics and numbers mean nothing unless we see action. We know that there are 10,000 people living in unsuitable, emergency accommodation. We also know that there are 85,000 households on social housing waiting lists across 31 local authorities and 30,000 people in receipt of the housing assistance payment, HAP. There are 70,000 home mortgages in arrears, 13,000 of which have been in arrears for more than five years. At the same time, we have State-owned landbanks, which once again relates to the issue of where we are directing the funding. There is a massive serviced site at Thornton Hall and another substantial site at Shanganagh Castle. Approximately 26 acres will be available at the site of the Central Mental Hospital in Dundrum in eight or nine months. I know from my work on the Oireachtas Joint Committee on Housing, Planning and Local Government that there are over 300,000 ha. of State-owned lands which are ready to go, but we are not seeing housing developments on those lands.

I welcome the increase of €1.5 billion in health funding for 2019, bringing the overall health budget to €17 billion, but we need an emphasis on value for money. Tomorrow we will be discussing the HSE in this House. What about value for money and accountability for how that money is used? What about how it impacts on the thousands of people who are waiting for essential hospital treatment? I welcome the €84 million for mental health services and particularly welcome the increase of €20 million for the National Treatment Purchase Fund, NTPF. I was a director of that organisation and am very familiar with its good work and its ability to deal with the longest waiters. As this Administration had sought to wind down the NTPF, the additional funding represents a U-turn, which is welcome.

I refer to bed closures at the National Rehabilitation Hospital in Dún Laoghaire, a hospital I have been championing for the past two years. I ask the Minister of State to commit today to asking the Minister for Health and the Minister for Finance to confirm when we will have the 12 beds that were closed in 2017 at the aforementioned hospital reopened. When will the

children's ward of six beds that was closed in August be reopened? When will the consultant who ceased working there in August be replaced? I have continuously met with opposition every time I have asked about this. I have only two questions for the Minister of State. Is there provision in the budget to have the 12 beds reopened in order that the hundreds of people lying in acute hospital beds around the country can move to the National Rehabilitation Hospital? When will the paediatric consultant post be funded at the hospital?

These are the simple things that matter. Tonight people want to know what their chances are of buying or renting a home. They are worried about whether they will be able to have their cataracts removed or whether they will have to wait for another two years for health services. These are the things that matter to people. The job of balancing the books is a difficult one and I have acknowledged the Government's commitment to managing the public finances. This budget is progressive, but it is the little things that matter. I ask the Minister of State to come back to me on the question of the National Rehabilitation Hospital in Dún Laoghaire.

Senator Kieran O'Donnell: I welcome the Minister of State. In the relatively short time available to me, I wish to speak about the principles underpinning the budget. The budget is very much based on the themes of the previous two budgets. First, it is about ensuring we are managing the public finances in a sound manner. In that context, we will have a budget surplus next year and are bringing the deficit down to 0.1% this year.

Second, it is about improving living standards and dealing with the vulnerable in our society. The Government has raised the point at which people start paying the top rate of income tax by €750 to over €35,000. We have also reduced the 4.75% rate of USC by 0.25%. We are increasing the minimum wage and making sure those earning that wage remain outside the tax net. I am particularly pleased with the announcement that jobseeker's benefit will be available to the self-employed from 2019. My colleague, Senator Ray Butler, has been championing this measure for many years. I was self-employed for between ten and 12 years. I had an accountancy practice and it was my bread and butter. I strongly believe we must look after the self-employed.

There is now full employment. In that context, the Government must ensure living standards will improve. Equally, we must ensure additional taxes are used to look after the vulnerable. Social welfare payments have increased by €5 and additional funding has been directed towards the affordable childcare scheme. We are looking after those who are vulnerable and those in difficult situations in many ways. We are increasing the exemption limits in the context of the lone parent payment. Improvements have been made across a range of areas and are very welcome.

Given that there is now full employment, we must direct money to drive investment. A total of €7.3 billion has been provided for capital investment this year, a 24% increase on the figure for last year. Significant investment will be made across a range of areas. In Limerick the prison will be redeveloped and a new wing built onto the female prison. There will also be major investment in Shannon Foynes Port. A tax relief scheme will benefit Troy Studios which has been a major investor in Limerick. It will be able to avail of more relief because it is investing outside the Dublin region. We are seeking to build a regional film industry and Troy Studios is an example of regional development in practice.

On housing, we should be working together, not point scoring. The budget will see €2.3 billion going into housing and €6 billion will be spent over three years. An affordable housing

scheme is already in place through the Land Development Agency, the aim of which is to build affordable housing on public lands. What was announced today in terms of affordable housing is not new. The Government already has an affordable housing scheme in place. Housing is about a range of measures. Do people have to go into the rental market? Yes, they do, which is why we need to provide more money for the HAP scheme. Would I like to see a strong social housing building programme undertaken by the local authorities? Yes, I would and that is now happening. We must remember, however, that we were at a standstill. Little or no local authority housing had been built since 2008. There was no such activity, but we have now moved back to that position.

I feel very strongly about the need to build social housing, but we must do it in a prudent way. In the past four years the level of current spending has increased by around 20%, which is way below the growth rate for the same period. By contrast, in the period between 2005 and 2009, current spending increased by nearly 10% per annum. We have to operate within budgetary constraints. In this budget current spending is increasing by 4%, but the growth rate is 4.2%. Our debt-to-GNI* ratio is coming down. While that is something of which I am very conscious, we must proceed in a way that allows us to look after the interests of people.

Brexit is the biggest variable and unknown that we will face since the economic crash and the bailout of the banks. Provision is made in this budget for €300 million to go into a fund for SMEs and the agricultural sector and €110 million to various Government agencies. Further funding is going to the Peace programme. There is investment in human capital, a training initiative that will get €300 million. That comes to more than €700 million. We should not lose sight of the fact that in the next ten days we expect a withdrawal agreement to be reached that ensures the backstop will be in place in order that there will not be a hard border in the North.

The theme of this budget, similar to previous budgets, is that the Government wants to improve the lives of people who are working, as well as the lives of people who are going through difficult times, whether they happen to be unemployed or disabled, but we must do it within the constraints of the public finances.

We are putting €500 million into a rainy day fund. Such a fund is needed because the winds of Brexit are coming downstream. There is a major increase in investment in education and health.

We have an ageing population and must make decisions on health spending. We want to ensure we deal with the health concerns of people. We have a project for 60 modular beds at University Hospital Limerick. I am very confident that the Minister for Health, Deputy Harris, will deliver as he has given a commitment that he expects that this project will be included in his capital budget for this year. There is a major capacity issue in terms of beds in the region. The two areas with capacity issues are Drogheda and Limerick. The situation in Drogheda is being remedied and we need to ensure we get the funding at local level.

This is a caring and responsible budget. It follows a theme of giving back to the people, investing for the future and ensuring we can deal with Brexit and that the public finances are sustainable. One of the problems was that current spending went out of control on the back of unsustainable tax receipts from stamp duty. We can never go back to those days again.

I commend the budget to the House and thank the Minister of State, Deputy D'Arcy, for his presence.

Senator Rose Conway-Walsh: I welcome the Minister of State, Deputy D'Arcy. Where do I start? I have to refer to my colleague. I was very confused because I was trying to figure out whether it was a Fianna Fáil or a Fine Gael budget. My colleague kept referring to "we". I am not sure if he was referring to the royal we or what.

Senator Tim Lombard: Some loyalty.

Acting Chairman (Senator Diarmuid Wilson): Senator Conway-Walsh to continue, without interruption.

Senator Rose Conway-Walsh: While I always listen with interest, what strikes me is that there is lots of confidence but still very little supply. The reason I say there is very little supply is that if one is earning €30,000 per annum, one will benefit by 10 cent a day extra or 75 cent per week. If one earns €40,000 per annum, one will get a total sum of 58 cent per week in saving in income tax. That is why there is more confidence than supply.

There is a great deal of talk about sustainability and stability. We have a debt of more than €200 billion and are facing a number of external factors - Brexit, the situation in Italy, the trade wars between America and China and other things that are on the horizon. We find €1 billion in the drawer and are not quite sure from where it came. That does not fill me, as an Irish citizen, with confidence. Will we lose €1 billion next week, as we happened to find €1 billion? It reminds me of the time when the Fianna Fáil Party enjoyed 15 years in government and each year, because of stamp duty, we had an extra this and that and no one seemed to know what was going on. Then it was all revealed. No one knew what was going on, except the bankers.

Fianna Fáil's attempts to present the budget as containing good bits that it influenced and bad bits that are the fault of Fine Gael is pathetic. There are, however, areas of the budget where the Government is looking to repeat the mistakes of the past that were made by Fianna Fáil in government. In this budget there was hardly any mention of the instability of relying on unpredictable and unsustainable corporate tax receipts. This strikes me very much as a budget for the wealthy and they must be delighted because, on first reading of the Budget Statement, they seem to go untouched. Landlords are rewarded with 100% mortgage relief and the question is whether they are required to reward their tenants in any way. We are spending €120 million on this relief, which could build a great many social homes.

This will be known as the tweaking budget. The Minister for Finance, Deputy Donohoe, was keen to talk about this year's unexpected €1 billion, yet there is no mention of the years ahead. What if those receipts are not matched next year? This reminded me of the American Senate subcommittee hearing on corporate taxation when the situation around taxation in this country was exposed. I think we owe John McCain a debt because of the pressure that was put on multinationals in order that they would realise more and more that there was no place for them to hide. Even though we have taken the Apple case to the Europe Court of Justice and do not want to take the money involved, multinationals understand the net is closing. That is why the additional €1 billion appeared out of nowhere.

This is a volatile model which is a deceptive way of funding the health system. It reminds me, as I said, of the over-reliance on increasing receipts from stamp duty more than a decade ago. This budget offered the opportunity to set out a sustainable and credible funding path for health to address capacity issues, funding shortages and produce a sustainable delivery plan for Sláintecare, but it appears that this will not happen in the near future.

Last week we met the Irish Hospital Consultants Association which is of the view that the Government has entirely failed the health system. Deputy Cowen spoke of the reopening of beds in hospitals and the restoration of home care hours, which were cut. I nearly fell off my seat at such neck on the part of a member of the Fianna Fáil Party saying that and genuinely looking for praise for restoring home help hours or reopening hospital beds, when in government it insisted on closing them, giving our money to the banks and nationalising the debt. Now the party wants praise because a few euro will be spent on opening hospital beds and restoring home care hours. One could not make it up. It is like a black comedy.

Fianna Fáil's fingerprints can be seen in the increased spend on the National Treatment Purchase Fund, NTPF, which will not address the chronic lack of investment in staff and facilities. The NTPF channels money into the private healthcare system and leaves no incentive to invest in the public healthcare system. That is why I say this is the tweaking budget. It changes nothing in terms of the privatisation of services, between housing and the health service. We are still giving away more and more power and authority to the markets and the private providers and we are not taking responsibility as a nation for the essential services that need to be delivered.

Earlier this year we welcomed the ratification of the UN Convention on the Rights of Persons with Disabilities. The Minister of State says money has been allocated for disabilities, but there is a big hole. Are parents of children with autism and other disabilities going to get the services they need through this budget? Are they going to get the physiotherapy, for which they currently have to wait for months, or the occupational therapy and the education they need? Are we going to continue to siphon off the responsibility for young adults with autism, other mental health difficulties and challenging behaviour? That is what is happening. We are pawing off these people, the most vulnerable in society, to other agencies which are not able to deal with them.

Another winner in the budget were the banks. Two of the banks will not pay a penny in corporation tax for the next 13 and 20 years, respectively. They effectively have a tax holiday, though they earned well over €2.6 billion last year. There is an increase in the betting tax, which will raise up to €52 million over a full year. Why was this not higher? I worked in the betting industry in London when betting tax was 10%. I have many other things to say which I will reserve for the Order of Business.

This is clearly an election budget. There is something in it to keep some people quiet until we get through the next election.

Senator John Dolan: This is a more than disappointing budget. After the dramatics of red lines, carefully planned leaks and statements on the plinth, it is a huge missed opportunity. Last week my colleagues and I in the Civil Engagement group called for a very prudential policy to be adopted and we urged the Government to heed the cost of not investing in public services. We highlighted the need for the Government to demonstrate a commitment to lone-parent families, climate change, education, addiction support services and people living with disabilities. These areas have suffered from years of underinvestment and austerity era cuts.

I will begin with the subject of disability. Every one of us in Ireland was shell shocked, confused, disorientated, frightened and angry ten years ago. We could not believe what was happening. In the next 12 months another 60,000 people and families will experience disability for the first time. In March of this year the UN Convention on the Rights of Persons with Disabilities, CRPD, was to be ratified, but it was a false dawn. There has been no announcement of

a Government project or plan or any ambition to make things right for people with disabilities. There is horrendous unemployment, rising poverty, poorer education outcomes, a long-term housing crisis and huge waiting lists for children's services and therapies and personal assistance services. There is apartheid in public transport provision.

I am not naive. The Minister says we have more special needs assistants, but they are there because of demographic pressures. Funding for the disability allowance has increased to €150 million and a further €80 million has been provided for mental health, but that is a post-ratification response. These announcements are an improvement on last year's budget, which I welcome. The response, however, must be made redundant because the Government and the Dáil ratified the UN Convention on the Rights of Persons with Disabilities unanimously. I welcome the 2020 commitment to disability proofing.

I ask the Minister not to say we cannot do everything in one year. I know that is the case. This budget did not consider it important enough to unveil a whole-of-government disability inclusion project with the ambition of implementing the CRPD over time. Níl aon tús maith anseo - there is no good start here. The intent of Government in ratification is now in question, or at any rate its capacity to implement a Government policy, which was agreed last March, is in question.

In his Budget Statement the Minister for Finance, Deputy Paschal Donohoe, said Brexit was the challenge of our generation. I put it to the Government that unanimous ratification of the CRPD made disability inclusion a challenge for our generation and, more particularly, a challenge for the Government. The Budget Statement reneged on that challenge. People with disabilities were brought to the top of the hill last March and today they rightly feel they have been slapped down. I challenge the Minister to prove me wrong. If the Government does this, I will be the first to acknowledge it.

Prudent investments in home care were mentioned. Let us talk about the hundreds of millions of euro being spent wastefully on residential care and long stays in hospital for people with dementia. There is €330,000 being spent for hospital beds per person per year on people who cannot be discharged due to a severe lack of funding for home care. An increase in social welfare benefits for carers of only €5 per week and a modest increase of €300 in the home carer tax credit have been announced. That is all welcome, but it falls far short of what is needed to address the needs of carers in Ireland. Senator Kelleher called on the Minister for Health and the Minister of State with special responsibility for older people to come into the Seanad to address directly how this budget would close the dementia gap and to elaborate on the HSE national service plan and its delivery. I echo that call.

It is welcome that some attention has been paid to the education sector, but the adjustments are minor. The 950 new special needs assistants and the increase in the per-pupil capitation rate by 5% are a step in the right direction, but we are still way behind where we were in 2010 and we have no plan to reduce class sizes this year. Increasing the National Training Fund levy is the right thing to do, but simply providing for 3,500 new undergraduate higher education places is failing to address the fundamental problems that sector is facing. Education must be accessible to everyone in order for us to build a true republic of opportunity. This budget has done little more than nod in the direction of that aspiration.

A commitment to gender and equality budgeting was articulated in the programme for Government and with the national strategy for women and girls. Progress has been recommended

by the Committee on Budgetary Oversight in its report this year, as well as in the Government's document accompanying last year's budget. What steps have been taken this year? Has the tax incentive for landlords, for example, been analysed for its impact on gender inequality, specifically in the context of lone-parent families? Senator Higgins has been calling for significant increases in support for lone parents who have disproportionately borne the burden of budget cuts and the failure to invest. She welcomes the €5 increase in qualified child payment for teenagers and the increased income disregard for those on one-parent family payments. However, lone parents are also disproportionately affected by homelessness and it is concerning that the refurbishment tax incentive for landlords may push the most vulnerable tenants out. Much more could and should be done. Failing to invest in lone-parent families means that they are more likely to live in deprivation, that they are more likely to be homeless and that their children are three times more likely to live in consistent poverty.

There was a chance in this budget to invest in real, functioning and caring addiction support services. The potential longer term effects of failing to do this are serious, putting pressure on mental health services and impacting children, as well as devastating families. Alcohol harm alone costs the State €2.3 billion every year.

On the environment, yesterday the Intergovernmental Panel on Climate Change made public the shocking finding that we just had a few years to ensure we would not exceed the 1.5° Celsius global temperature increase to which we had committed. It is staggering that the Government has today decided not to rebalance the cost of fuels or to encourage and incentivise non-polluting and more efficient fuels, despite this having been well flagged in advance. This decision was described today by the environmental pillar as two fingers to everyone under 35 years, two fingers to the Paris Agreement and two fingers to the hundreds of millions living in Africa, Asia and Latin America.

6 o'clock

Actions speak louder than words. Today the Government has sent a message that will be heard loud and clear, that Ireland does not take its international commitments seriously, does not take climate change seriously and does not take the responsibility to protect our beautiful country. What makes all of this worse is that we will face EU fines of between €150 million and €600 million as a result of renegeing on our binding promises to the rest of the world. That is a waste of money, a waste of time and a wasted opportunity to green the economy. We have a carefully crafted budget today, a budget for the moment, but one that, sadly, weakens the achievement of long-term social improvements.

Senator Anthony Lawlor: I, too, welcome the Minister of State. I was a Member of the Lower House in 2011 when a budget was produced and there were cuts everywhere and it was hard to face the public on decisions that were made at the time. They had to be made because we were in deep trouble. In the budget in 2010, there was a difference of €17 billion between what we took in and what we spent. The budget today is virtually balanced. The progress that has been made in the past seven to eight years has been remarkable, not alone by our standards but by international standards.

The Minister for Finance spoke about the future and the prudence of budgets. Putting €500 million into a rainy day fund and using €1.5 billion from the Ireland Strategic Investment Fund for investment is planning for the future. We do not know what is going to happen. There is Brexit which we are discussing and a President in America who wants to look after his own country with trade barriers and protectionism. We do not know what will happen in the future and it is prudent that we plan for the future. That is what the budget does.

Whenever there was a windfall previously, Governments spent it on unsustainable wage and salary increases that had to be continued annually. The corporation tax windfall that has come about this year, however, is being spent on capital projects. That is what is important, that we build for the future.

I very much welcome the 25% increase in capital project funding for next year. My political opponents told me that in 2016 the Sallins bypass and the M7 road widening projects would not happen, but those projects will be finished next year because we are increasing the capital budget as a result of this spending.

The strange thing when I hear Sinn Féin talk about budgets is that there is no budget in the North. It is being dictated to from Westminster. There was some form of government which had control. It makes me laugh to hear Sinn Féin talk in this House about what we do down here with the budget when there is no budget in the North and it is being dictated to by civil servants from Westminster, not by the people who have been democratically elected in the North of Ireland. That is a shame.

There is a trend I want to talk about and about which I have been strong. I have been talking about childcare because it is almost a second mortgage for most householders each month. Most of them are in the country. There are many families in my community in Kildare where both parents are working and they need childcare. The measures introduced in the budget in respect of childcare have been very much welcomed. They include an increase in the basic income threshold in order that people can get a grant, an improvement in the deduction where there is more than one child, which is very helpful, and the additional two weeks' parental leave, which has been discussed. It now covers almost the whole first year and it was the Minister's intention to do this over time. That has to be welcomed.

On education, Senator Dolan was critical of the additional 950 special needs assistants, SNAs. In 2011 we were struggling to maintain the number of SNAs, which was less than 10,000. We were fighting hard to keep the budget for them. That we have increased the number to 15,500 SNAs is unbelievable. The capitation rate increase of 5% is something for which parents have been looking and when children leave school, we are investing in third level education.

I love the human capital initiative, which is building for the future. Those who have jobs or who will have the jobs we will create in future may need to upskill in the light of the new technologies that will bring about change. Some of these changes will have an impact on people who are working. I am thrilled that additional funding is being provided for apprenticeships and that we have ten new apprenticeships is excellent.

Another of my pet projects is overseas development. an increase of €110 million in this area in the budget signals where we stand and where we are going.

The Minister of State is very welcome. This is one of the most progressive and most sustainable budgets we have had in this economy since the 1970s and 1980s, when, again, Fine Gael was in charge.

Senator Gerald Nash: I enjoyed Senator Lawlor's contribution because he, many others in this House and I served either in this House or the Lower House for the period of the previous Government. I do not think we will ever forget the hand we were dealt and the difficult decisions that had to be made to refloat the economy to make sure it and this society had a future.

After many tough years we know that the economy has recovered. Now it is time for a social recovery.

This budget was an opportunity to fix the housing crisis structurally, to start to make education genuinely free and to create a health service that would work for everyone when they needed it, not just for those who could afford to pay for it. What we got instead was a tinkering at the edges, with bits and pieces here and there. It was a “Late Late Show” budget, with something small for almost everyone in the audience. When one tries to be all things to all people, there is sometimes the tendency to end up dissatisfying everyone.

In that sense, it is a budget without a clear focus. I am still not sure of its purpose other than the fact that it was designed to facilitate staying in office and potentially to buy an election that may very well be around the corner. It has not manifestly tackled head on any of the major issues facing us a society. I disagree with what Senator Kieran O’Donnell said. He tried to discern some kind of principle that was central to the budget. I cannot discern any particular theme, central narrative or single big objective or idea that would convince me, at least based on this and the previous budget, that the Government has any real interest in truly tackling the big social issues head on and transforming our society in the way it should be transformed.

The annual budget is a ritual that gives the Government of the day the chance to stamp its philosophy and complexion on the direction of the country. Today, we know a little more about the *raison d’être* of this Administration. For the first time in more than a decade, which was a very difficult period for many thousands of people in this country, we have real choices to make as a state. Do we use all of the extra resources that we have to provide as many homes as we can for our people, or do we decide to cut taxes? I know what side my party and I are on.

This is a conservative budget package in every sense of the word that objectively gives most in terms of tax cuts to the better-off in our society. To those who say they pay for everything and get very little in return, the most effective and proven way to make a real difference is more public housing, affordable accommodation, free schoolbooks and a radical shift to free primary care. It is the social wage and the value of it. It is utterly bogus to seek to convince citizens that the best way to improve their living standards is by spending €300 million on tax and USC adjustments that will be worth a pittance each week to most working people.

Let us look at the figures. On the income tax changes, according to Central Statistics Office, CSO, figures, only 22% of people pay tax at the higher rate. The Government is, therefore, spending a large wedge of public resources, part of €300 million, on a tax package for one in five workers that might be better deployed in reducing their mammoth childcare bills as opposed to providing a tiny increase in their take-home pay that amounts to damn all a week. I will give the Minister of State another example, which is both striking and revealing. Someone on the national minimum wage working a full week will gain 15 cent a week from the USC changes the Minister proposed earlier today. This will buy a grand total of two slices of Brennans bread per week. It is not two slices of bread a worker on the national minimum wage needs, it is a roof over his or her head. This tax package will deliver much more in these terms to someone on €75,000. It will deliver about a fiver a week. This is a scandalously inefficient use of available public resources.

At a time when more needs to be declared on housing supply, this budget objectively does not go anywhere near fixing the scale of the problem we face. Rather than listen to the 10,000 people who assembled on Molesworth Street last week, the Government caved into the land-

lords. Fianna Fáil really has some neck trailing this budget as a housing budget. It is not a housing budget but a landlord's budget. We are back to the future and it seems that the Fine Gael Party is becoming more like its colleagues in Fianna Fáil by the day. This severe case of what might be described as Stockholm syndrome sees the Fine Gael-Fianna Fáil partnership announce that landlords will have 100% mortgage interest relief restored, but there will be no relief whatever for hard-pressed renters who work hard for a living. To expand on this point a little more, developers will get a subsidy to build on serviced land, much of which is probably in State ownership, and landlords will be handed an incentive to buy more houses with 100% mortgage interest relief. This will see young families priced even further out of the market, competing with professional property owners who will now have additional purchasing power to buy a home. This is mind-boggling stuff and utterly self-defeating. We cannot hope to meet the current and future housing needs of our people if we continue to rely excessively and unduly on the market to do it for us. The market has never delivered and never will deliver. There is no structural solution available that does not involve the mass construction of public housing. My party has produced a large-scale, detailed, comprehensive and fully funded project for 80,000 homes to meet the most fundamental needs of people across society in the next five years, but the dearth of ambition in this budget in housing terms is absolutely unforgivable.

It would be churlish of me not to recognise the increases in weekly social welfare rates and the very welcome changes to the income disregard for those who are parenting alone. This is one policy area that unites everyone in this House, and rightly so. It is concerning, however, that welfare increases will only be paid from around the middle of March unlike the tax cuts which will apply from 1 January. It is unfortunate that welfare recipients will have to wait until the middle of March for what amounts to a €4 per week annual increase, not a €5 per week increase, if one looks at it across the 12 months.

It is good to see the Christmas bonus fully restored. I only regret that it never features in the annual budget line. To avoid any confusion in September and October, we should deal with this annually and put it into the budget lines, end of story. The Labour Party proposed investing, for example, €170 million and providing a universal back-to-school clothing and footwear allowance because we know to our cost that families of small children at school are those most at risk of poverty and experiencing high levels of poverty as it is. If we are to eradicate this cruelty and give all children every opportunity they need to be the best they can be, regardless of who they are or where they are from, we need to tackle areas such as this and make primary and second level education truly free. For under €100 million, we could provide free schoolbooks for everyone in second and primary level and end contributions that are, unfortunately, far from voluntary. This is the full-year cost, by the way, of the small USC cut, which is worth, as I said, two slices of white bread to the worker in a restaurant or a shop who is on the national minimum wage. They are the choices we face and the chance to really make monumental changes to the way in which this society and economy are structured has, unfortunately, been passed up yet again.

Senator Jennifer Murnane O'Connor: I was glad to see Sinn Féin and Labour Party Members mention Fianna Fáil so many times in their contributions on the budget. At least, Fianna Fáil made a confidence and supply agreement for three years and did not run to the hills like Sinn Féin. Sinn Féin criticises everything from the minute it comes into this Chamber and I see the Labour Party is doing the same. I know that we need many changes and people need to see improvements and Fianna Fáil wants this, but when I hear a Sinn Féin Senator mention Fianna Fáil at least seven times in an eight-minute contribution today, it worries me that the

party is so concerned. At least, we did not run and I can say that as a Fianna Fáil Senator. The budget must be more than spin. We need to see action now. Spending is one thing, but promises of spending without timescales are another thing altogether and that is crucial. We need delivery on these promises, value for money, help where help is sought and action on the ground for people to see real change.

I welcome the movements on housebuilding, but I would have preferred to see the projects that were promised in previous budgets come to fruition. I attend meetings of the Joint Committee on Housing, Planning and Local Government every week and we speak to the Minister, Deputy Eoghan Murphy. The delivery and timescales need to be looked at. I know that there is an increase in the funding provided for homelessness services. I welcome the €310 million package for affordable housing over three years, but, again, it is all about delivery. We need to see real houses for real people and to ensure the housing crisis does not get worse.

Announcements of improvements over time in the public health system will not do anything now when we see that 525 patients were on trolleys in hospitals last night. That is unacceptable. I know that Fine Gael is putting money into the health system, but unless we see those 525 patients on trolleys last night looked after, it defeats the purpose. I ask the Minister of State for a commitment that we will not see patients, including old people and children, on trolleys. That is unacceptable and it needs to be addressed now. Looking through the budget which we are all still going through, we see an increase in funding for mental health services. That is welcome, but unless it is done properly and unless everything is worked on straightaway, people will not see it.

Farmers have had a tough year and I have called for supports for them. The budget makes some acknowledgement of the difficulties in agriculture. I note that there is a €20 million pilot scheme for suckler farmers, which is important because farmers are worried about Brexit and about what will happen next year. Brexit is mentioned several times in the budget as something from which we must protect ourselves. I am concerned, however, where investments are to be made as to whether protective measures are being put in place or whether we are just hoping Brexit goes our way and not making a plan B. If we have learned anything from the past, we know that we need a plan B.

I note the education provisions in the budget and welcome the provision of an additional 950 special needs assistants for 2019. We must ensure we deliver on this commitment.

Decent climate action is missing from the budget. It is shocking the Government did not take the opportunity to introduce incentives and imaginative ways to encourage more carbon-neutral lifestyle choices. There was a chance to be brave. There is a lack of targets, timescales and commitment. I am concerned that while there are people who will be glad to see some of the cuts reversed, all anyone really wants is a better, fairer society in which promises are made and real change is delivered. This is all about timescales and delivery for people on the ground. We have the working poor and people trying to pay mortgages and paying rents.

I welcome all the changes such as the €5 weekly social welfare payment increases and the Christmas bonus. People depend on these payments. All I ask is that we have delivery and that we do not find this time next year that there has not been delivery. People are counting on us. We are still in a housing crisis. I heard Sinn Féin, the Labour Party and others making criticisms. This is about the people - the poor people, the people who are in need and the homeless. This is what we have to do now. It is up to us. We have given a commitment that we in Sinn - I

mean, Fianna Fáil-----

Senator Rose Conway-Walsh: They do not know who they are any more.

Senator Jennifer Murnane O'Connor: -----will stick with the confidence and supply agreement. I was very disappointed with the way Sinn Féin criticised everything today. I ask the Minister of State to ensure promises that have been made will be delivered on for the people because that is what we need.

Senator Michelle Mulherin: I warmly welcome the Minister of State to the Chamber. I also warmly welcome budget 2019. The reality is that if we are to be prudent financially in the face of Brexit and the extensive debt we carry in this country, we do not want to face into more borrowing. We had a package of €1.5 billion to divide between tax cuts and spending increases or spending measures, as appropriate. There are many good cases and many sectors that need support, including health, education, and infrastructure. The list goes on. This budget is very considered in the sense that it tries to speak to so many priorities and, in fact, does. It is quite detailed.

As I have a short period of time, I will just particularly welcome a number of issues which affect Mayo and the west, for which I have been fighting tirelessly and which have been recognised and begun to be addressed in the budget. I very much welcome this because everything we decide in terms of spending has an impact on people on the ground. It is to be hoped that, in all of this, we will see some positive outcomes from the money that is available to spend.

First, I will address the issue of pyrite. Pyrite is a plague on the houses of quite a number of people in north and west Mayo. It is devastating as a house can nearly fall down around a person because of pyrite in the blockwork. I know that, at Cabinet today, a pyrite remediation scheme which will provide financial assistance for homeowners in Mayo on a phased basis to fix the blockwork in their houses was approved in principle. I understand the scheme will be developed by the end of December and that money will be provided next year to carry it out on a phased basis. I expect and understand that what this will mean for Mayo homeowners is that there will be a system of priorities with regard to which houses will be done first and that it will be done not on the basis of some politician asking that this or that house be done. Clearly, some houses are more degraded than others. Some have been more exposed and the pyrite has reacted in the more exposed coastal areas. Clearly, there is a case to be made for prioritisation. This is a scheme that we can see going on for a number of years. I know that, on the east coast, problems with pyrite have been remediated in 1,000 houses with the financial assistance of the existing scheme. I look forward to seeing some positive results on the ground for hard-pressed homeowners. These are homeowners of private houses in Mayo. A person's home is his or her key asset. The people concerned have nowhere to turn. I also acknowledge that the State did not create the faulty blockwork; therefore, this is a significant intervention by it. It will cost a lot of money, but the people concerned have nowhere to turn and are quite desperate.

The next issue is hard-pressed farmers in the west. Many farmers are trying to eke out an existence on marginal lands. We all know about the weather conditions we have been experiencing in recent years and the fodder crisis. We know that beef farmers are battling low prices in factories and at the mart and facing cashflow problems, Brexit and Mercosur. It is very difficult. The bottom line is that they have not been making money. Unless we move to address this issue, we are going to see many of the younger farmers we want to get into the system saying they have more options, that they have education and that they are going to do something

else. That would be disastrous for the beef sector. I have lobbied the Minister for Finance and the Minister for Agriculture, Food and the Marine very hard on behalf of farmers. I have been meeting farmers and the farming organisations. I welcome the €20 million for the beef environmental efficiency programme pilot scheme. That will help to underpin beef production and support the suckler cow farmer. There is also a €23 million top-up for the areas of natural constraint scheme. This will help not just the suckler cow farmer, the beef farmer, but also the sheep farmer because there is an awful lot of poor land in the west, including Mayo.

On infrastructural investment, without a doubt the greatest potential driver of economic growth in the west and the north west is Ireland West Airport Knock. I very much welcome the commitment by the Government to provide €8.2 million in funding for pavement overlay of the runway which was announced today. That is what we need to be doing to ensure there is economic growth in the west. I give credit to the board, the staff and the people of the west who have supported the airport. It came into being against the odds. It was the people's airport, a community airport. It was never a State airport. It is highly efficient and deserves all the support we can give it. I look forward to more. This is a good day for the west.

Senator Ray Butler: I welcome the Minister of State. We will end discussion on budget 2019 on a happy note. Seven and a half years ago I came into this building as a self-employed person. I had seen what the crash had done in 2010 and 2011. While out canvassing, I had met many self-employed whose businesses had gone during the crash. I remember one particular time in Kildalkey, County Meath. I was canvassing this man and he brought me into his front room, which was his office. He showed me all his VAT returns, tax returns and PRSI documentation. When he looked for something after his business went, he was entitled to nothing. He brought me to his yard where he showed me a machine that was rotting away. He had made payments totalling €100,000 on it, but he could not lodge it in the bank or send his kids to eat it. I personally saw how self-employed persons were treated during the crash. I was one of them and lost my business. When I needed help, I was entitled to nothing. It was so sad to see the frustration of that man in Kildalkey who was not even able to pay his mortgage or put food on the kitchen table for his kids. It is very sad to say we lost many self-employed persons because many of them went into dark places during the crash. They went to fields and sheds and never came back because they were very proud men and women. We should also remember them because this is a very good day for self-employed persons.

When I was first elected, we met departmental officials who said a stamp could not be put in place. They said it would cost 30% of a self-employed person's wage to put any stamp in place. We have come a long way. Today we hear the Minister say we are to bring in a new stamp in 2019 that will entitle self-employed persons to jobseeker's payments. I give credit to Fianna Fáil for putting this in the programme for Government and thank everyone in the House. We had a motion in this House. Members from all parties spoke passionately about this issue and we pushed it on. It is fantastic to see that we have recognised self-employed persons through the social protection system for the first time ever. I am talking about a stamp that should have been put in place 30 or 40 years ago. I am thankful that we have now got the message and that a start has been made. I would like to see, if at all possible, sick pay also being brought on board next year. According to the online comments and from listening to self-employed persons, they are very happy with the budget. I thank everybody involved. It is a good day for the self-employed.

Senator Jerry Buttimer: I welcome the Minister of State, Deputy D'Arcy, and thank him for his participation in this discussion. I also commend him on his stewardship of the cost of

insurance working group which is doing much important and necessary work. That is the starting point for me. The prudent management of our nation's finances is what today is about. I ask Senators to cast their minds back to where we were a decade ago. We should never look away from or forget that image. Today in the economy there is almost full employment and we have a balanced budget. This may not mean much to people, but when the next cyclical downturn comes, as it must, we will be able to borrow money to provide services and pay public servants, which we could not do the last time.

I listened to Senator Dolan's contribution. I am impressed that the budget will protect the most vulnerable and those who most need Government intervention. It will promote an improvement in living standards for all. The budget will deliver an investment in capital but also in people. We have issues with housing whereby fellow citizens, husbands, wives, partners, girlfriends and children are in temporary accommodation. People also want a better pupil-teacher ratio and seek to gain access to the health service in a more timely manner. The budget is about putting people at the heart of what government is about. Senator Dolan spoke about disability. This is a good budget for the disabled community because it will help to improve their lives.

A decade ago, the then Fianna Fáil-led Government cut social welfare payments. The Government has not only reversed those cuts, but it has also increased spending on social protection measures. An additional €3.50 per person is spent on social welfare payments now than was spent in 2007 and 2008. That will improve people's lives and living standards.

As a teacher and an adult education director in my previous existence, I am impressed that the budget invests in education. It will give people a gateway and pathway to a better life. I welcome the budgetary changes in education, whether at primary level through an improvement in the pupil-teacher ratio and increased capitation grants or at third level. Last year the Minister for Education and Skills, Deputy Richard Bruton, had the best and biggest education budget in the history of the State. Today he has been given a further increase.

The allocation for the health service has reached €17 billion. We now need to see delivery. The Health Service Executive (Governance) Bill 2018 will be brought before the House this week.

Senator John Dolan: It will be before us tomorrow.

Senator Jerry Buttimer: I thank Senator Dolan. It is time we had real reform in the health sector, with accountability and delivery on behalf of the patient.

I compliment the Minister for Housing, Planning and Local Government, Deputy Eoghan Murphy, on the budget of €2.4 billion he secured for housing. This budget will deliver for people by putting them in houses and getting them back to work.

I thank the Acting Chairman for allowing me to speak in this debate. I commend the budget to the House.

Senator Frank Feighan: I welcome the Minister of State, Deputy D'Arcy, and commend the budget. In his budget speech, the Minister for Finance, Deputy Donohoe, said that for the first time in a decade we had balanced our books. As a result, we are more secure and better able to care for people and families. I have been a Member of these Houses for more than 16 years and remember the first few budgets during my time in the Oireachtas. It was a mix be-

tween a rock concert and a fleadh. All of the various interest groups came to Leinster House in December to tell the Government what to do and every bar within half a mile was full. Now we have a prudent budget which passes quietly through the House in October. That shows how things have changed in politics, thankfully. Rather than engage in megaphone politics, the Government has listened to the various interests and delivered a budget which gives something back to hard-pressed middle and lower income families.

I welcome the increase by €750 in the entry point to the higher rate of income tax for all earners. This change raises the threshold for the marginal tax rate from €34,550 to €35,300 in the case of a single person. Middle income earners will also benefit from the reduction in the third rate of the universal social charge from 4.75% to 4.3%. Communities will benefit from the new healthcare and childcare measures, including greater access to GP visit cards, a €1 billion investment in mental health services and an increase in the number of families benefiting from affordable childcare schemes. That makes for a progressive budget for 2019.

The budget contains a range of new, fair and sustainable measures to care for the most vulnerable in communities. It makes life easier for families. These measures include a €25 increase in the weekly income threshold for GP visit cards, a 50% reduction in prescription charges from €2 to €1.50 for all medical card holders over the age of 70 years and a €10 reduction in the monthly drugs payment scheme threshold from €134 to €124. As a new parent, I welcome these measures. I also welcome the extra €84 million for mental health services in 2019, which brings the total available funding for mental health to €1 billion, an increase of 9%. The provision of an additional €150 million for disability services for next year is also very welcome.

An increase of €5 per week in all weekly social welfare payments and the restoration in full of the Christmas bonus payment for all social welfare recipients will be a timely boost for many.

The creation of 1,300 additional posts in schools and 950 special needs assistants will be a major boost for many schools in the State. There is also considerable investment in childcare services and the early learning sector.

On transport, I am delighted that funding approval has been given for the N4-Collooney to Castlebaldwin road project in County Sligo as part of the extra €1.26 billion in capital funding made available to the Department of Transport, Tourism and Sport. This project which is referred to in the 2040 development plan is very welcome.

Provision has been made for a new paid parental leave scheme which provides two extra weeks' leave for every parent of a child in its first year. This must be welcomed by many families. I understand the Minister for Finance intends over time to increase paid parental leave to seven weeks. It is a very welcome change.

I commend some of the measures that benefit the farming communities. An extra €57 million has been provided for the Department of Agriculture, Food and the Marine to support the agriculture sector. The young trained farmers stamp duty relief and stock relief measures have been extended for a further three years.

All in all, this is a very fair budget. It is nice to see it has been introduced in a measured way against a calm background, unlike the madness associated with the budgets introduced when I first entered the Houses.

Acting Chairman (Senator Gerry Horkan): We will try to continue in a measured man-

ner.

Minister of State at the Department of Finance (Deputy Michael D’Arcy): I thank Senators for their contributions. I remind people that it is ten years and ten days since the introduction of the bank guarantee, which was the worst political decision in the history of the State. It cost €64 billion gross and, according to the former Governor of the Central Bank of Ireland, Mr. Paddy Honohan, €37 billion net. Whether we like to hear it, that is from where we started. That is ground zero. Budget 2019 is the first balanced budget since that era. It has been particularly difficult for some people who were much more badly affected by the downturn than others. Some lost their businesses or homes, while others will lose their homes in the future. None of us can forget the difficulties people have faced, are facing and will face in the future. As public representatives, we must never lose sight of those who, unfortunately, find themselves in a worst case scenario. However, we have come a long way to be able to balance the budget. Not alone have we done that, we have also reduced the 2018 deficit by 0.1% or €350 million and are a year early in so doing such that rather than the deficit being 0.1%, it will be zero. That is from where we have come and where we are going.

I wish to touch on some of the issues raised and only have a short time in which to do so. On the issue of the self-employed raised by Senator Ray Butler, they are entitled to be in receipt of a social protection payment, as are employees. That will happen in 2019. Perhaps it might have been done some years ago, but at least we are doing it now.

Senator Michelle Mulherin raised the issue of pyrite. A sum of €32 million has been allocated in budget 2019 for 460 homes affected by pyrite. The Senator has been described to me in many ways, but “determined” describes her best. She has pursued this issue with a sharp determination and was correct to do so. The State is intervening to help people who have been affected by this issue. Better standards should have been in place. The Senator deserves much credit for her work on the issue.

I am particularly pleased by the beef environmental efficiency pilot project which will be expanded to include the dairy sector. Senator Ian Marshall, a fellow dairy man, is present. Although we have less stock than we did 25 years ago, we now must deal with the huge impact of climate change, of which we were unaware 25 years ago. I believe in the expansion of the dairy sector, but we can expand the dairy and beef sectors with better stock. We can produce as much product with fewer animals through better genetics and feed values. The improvements in technology and feed will also help to reduce methane emissions. That is the future. It is not only about stock numbers. Farmers will have to farm better than before and be prepared to change their work practices. Just because things were done in a certain way three, four or five years ago does not mean that we will continue to do it in that way. The industry is changing very quickly as the technology to facilitate such change is available.

I point out to Senator Jennifer Murnane O’Connor that we are spending €17 billion on health services, which is a significant amount of money. There will come a point at which we will not be able to keep spending money and will, instead, have to bring efficiencies and rationalisation to the health sector, in which there is enough money. If one factors in the private spend on health services in Ireland, we have one of the highest expenditure figures. It is important to note that a huge number of people enter the system and receive an excellent service at every level. Others do not and that is the area in which we must improve. It is not good enough that nobody is accountable to those who receive a poor service. The buck must stop somewhere.

Senator Gerald Nash questioned the logic of cutting income taxes. I have outlined previously in the Seanad the doubling of the income tax take from €11 billion to almost €22 billion over a six-year period, which is unheard of in any jurisdiction without being accompanied by riots, chaos and carnage. The Government got on with making that increase, as did the workers of Ireland. I do not apologise, therefore, for removing as many as possible - approximately 60,000 - from the higher tax band. To put the matter in context, the limit has been increased by €750 to over €35,000. It is my strongly held view that we should raise it to €40,000 as quickly as possible because the average industrial wage in Ireland is approximately €36,000 but for a person who works 40 hours per week it is €44,000. People earning the average industrial wage for a 40 hour week pay tax at a rate of 50% on approximately €10,000 of their income. It is hugely expensive for those in that bracket to work. It is a tax wedge which is doing damage. I do not apologise for the fact that €291 million will be forgone.

The USC rate changes will impact on approximately 1.5 million workers. On the home-carer's tax credit, an issue about which I am very passionate, 85,000 families with a stay-at-home parent will benefit from the €21 million allocated. Some 230,000 people will benefit from the €27 million allocated for the earned income credit for the self-employed. The raising of the point at which people move into the higher tax band by €750 will benefit 60,000 people. Some 61% of households will benefit from income tax reductions of €291 million. Senators must remember that the amount collected in income tax will decrease by €291 million after a period in which we increased the quantum over a six-year period by €11 billion. I do not apologise for giving some workers a small reduction in the amount of tax they pay.

On tax incentives for landlords and lone parent families, it is something we could consider. I do not know if it has been done, but I will look into it.

I point out to Senator John Dolan that we are now spending €2 billion in the disability sector. I am very pleased that we are spending more in it than we were. There could always be more, but the Minister, Deputy Paschal Donohoe, has ensured the budget is sustainable. We cannot spend more than what we predict we will collect next year. Some €700 million of the €1.1 billion collected in corporation tax arises from an international readjustment of how corporation taxes are calculated and will not recur. Therefore we will not allocate such an amount next year. It is prudent to do this, rather than pretend it will be available next year. Of the €700 million, €500 is going into the rainy day fund, while €200 million is going towards meeting the overrun in the health budget. It is the right thing to do. The health budget is also being funded from €250 million arising from under-expenditure in other Departments, as well as a third source.

Senator Rose Conway-Walsh is correct that two banks will not pay corporation tax for the next 13 and 20 years, respectively. Deferred tax assets are available to all companies, not just banks. We cannot change the provision for one sector only. If it were to be changed for the banks, it would also have to be changed for everybody else, which would cost a lot of money. We do not want to do so. Of course, the €100 million bank levy has been in place for several years. It is a matter for the Government to consider the matter on each appropriate occasion.

A split approach is to be taken to betting tax which is to rise from 1% to 2%. It is bringing in half of the amount. The other half comes from an increase in betting tax and the duty on the commission earned by betting intermediaries or exchanges from 15% to 25% for online betting, which is very good. I have huge concerns about gambling addiction and, in particular, online betting.

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Senator Rose Conway-Walsh referred to the modest tax reductions, on which I touched earlier. However, her party's proposed tax increases of €3 billion are not modest at a time when we have increased the income tax take from €11 billion to €22 billion.

Senator Rose Conway-Walsh: Does the Minister of State agree that 99% of the people would not pay any extra tax under Sinn Féin's proposals?

Acting Chairman (Senator Gerry Horkan): The Minister of State to continue, without interruption.

Deputy Michael D'Arcy: A €3 billion increase in tax is off the wall. It is Harry Potter-style economics to try to create money from the very wealthy, the 1% earning more than €140,000.

Senator Rose Conway-Walsh: That is not what Stephen Kinsella said

Deputy Michael D'Arcy: It never adds up.

Senator Rose Conway-Walsh: It always adds up.

Deputy Michael D'Arcy: It never added up previously and does not add up today. It did not add up last year. Sinn Féin's version of economics is off the wall.

Senator Rose Conway-Walsh: Is the Minister of State rubbishing what Stephen Kinsella said?

Deputy Michael D'Arcy: Senator Kieran O'Donnell spoke about many of the areas on which we have touched.

Senator Victor Boyhan suggested mortgage interest relief should not be available to landlords who did not accept HAP tenants. That is something at which we could look. I do not know if it would be possible, but I will try to find out for certain.

I do not have the details of the €17 billion health budget. The Senator had three questions about the National Rehabilitation Hospital in Dún Laoghaire related to the paediatric consultant, the six-bed children's ward and having 12 beds reopened. I do not know the answers to them, but I will try to find out for him.

The figure given in the Dáil for the increase in the housing area of €80 million is wrong. It took a little time to find it. The increase in capital and current expenditure in the housing budget is €728 million, not €80 million. It is a large increase. We expect to build or acquire 7,700 new local authority units, either by purchase or with approved housing bodies and others. The budget for the Department of Housing, Planning and Local Government will be €2.3 billion.

Senator Kieran O'Donnell: What was the figure the Minister of State gave?

Deputy Michael D'Arcy: The year-on-year increase in capital and current expenditure is €728 million, or 25%. It is a huge increase.

Senator Kieran O'Donnell: In both.

Deputy Michael D'Arcy: In capital and current expenditure.

Senator Kieran O'Donnell: The increase in capital expenditure is €460 million.

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Deputy Michael D'Arcy: I really have an issue. I am happy to argue with people at any stage and anywhere about the facts. However, they should not present something that is not correct. It is wrong to be presented with a figure of €80 million when the actual increase is nine times that sum. It is both misleading and dishonest.

Acting Chairman (Senator Gerry Horkan): When is it proposed to sit again?

Senator Michelle Mulherin: Tomorrow, at 10.30 a.m.

The Seanad adjourned at 6.55 p.m. until 10.30 a.m. on Wednesday, 10 October 2018.