



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

SEANAD ÉIREANN

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

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SEANAD ÉIREANN

Dé Máirt, 3 Nollaig 2019

Tuesday, 3 December 2019

Chuaigh an Leas-Chathaoirleach i gceannas ar 2.30 p.m.

*Machnamh agus Paidir.
Reflection and Prayer.*

Gnó an tSeanaid - Business of Seanad

An Leas-Chathaoirleach: I have received notice from Senator Maria Byrne that, on the motion for the Commencement of the House today, she proposes to raise the following matter:

The need for the Minister of State with responsibility for the Office of Public Works, OPW, and flood relief to provide an update on the OPW investigation into the flooding at Coonagh in County Limerick.

I have also received notice from Senator Rónán Mullen of the following matter:

The need for the Minister for Health to make a statement on the funding to be made available to the National Platform of Self Advocates, Ireland's first disabled persons' organisation.

I have also received notice from Senator Frank Feighan of the following matter:

The need for the Minister for Housing, Planning and Local Government to provide an update on the planned plebiscite to change the official name of Enniscrone, County Sligo.

I have also received notice from Senator Robbie Gallagher of the following matter:

The need for the Minister for Education and Skills to make a statement on the application for departmental assistance by Ballybay Community College, Ballybay, County Monaghan.

The matters raised by the Senators are suitable for discussion and they will be taken now.

Nithe i dtosach suíonna - Commencement Matters

Flood Risk Management

Senator Maria Byrne: I welcome the Minister of State, Deputy Kevin Boxer Moran, and thank him for coming to the Seanad to respond to my query today. In early September, the Minister of State visited Coonagh in County Limerick where flooding had occurred. It happened on a Friday and approximately 25 houses were flooded. The water came into their ecosystems and into some of the homes. There was also flooding in Na Piarsaigh GAA club and in Coonagh Airfield, where both the hangar and several aircraft were damaged. My understanding is that while there has been great progress in terms of people being compensated or looked after, and a number of issues have been resolved around na Piarsaigh and the airfield - I understand that is nearly at a conclusion - there are a number of homes that have not been sorted out. How are those homes going to be sorted out? Also at the time, the Minister stated that there would be an investigation into the cause of this event and what was going to happen maybe in terms of flood defence to resolve this ongoing issue because it is not the first time that Coonagh and this particular part of Coonagh has been flooded. I would like to thank the Minister because certainly when we did contact him on the day, he was very quick to respond and he came down himself to see first-hand how everybody was affected across the sporting club as well as the residents. My concern really is that a number of issues have not been resolved in terms of the residents. Could the Minister give an update as to where he thinks it is at and how long it is going to be before it is finally resolved?

An Leas-Chathaoirleach: I thank Senator Byrne. I call the Minister of State, Deputy Boxer Moran.

Minister of State at the Department of Public Expenditure and Reform (Deputy Kevin Boxer Moran): I thank the Senators for giving me the opportunity to come into the Seanad and explain the current position. The Office of Public Works undertakes routine inspections of all flood defences along the Shannon Estuary. During the routine inspection by the OPW staff of the River Shannon flood defence embankment system, damage to the sluice outfall was noted. The function of the sluice outfall allows for the discharge of water from the area protected by the embankment to the estuary and during the high tides prevented tidal waters in the estuary from entering into the protected area. While repair works had been started in mid-August, due to the forecast of high tides, emergency repair works were carried out on Friday, 30 August and Saturday, 31 August 2019. Unfortunately, these temporary works failed and the water breached the embankments.

The OPW has now reconstructed an embankment at the breached area and is continuing to monitor the area in its current consideration of opinion on constructing a replacement to the sluice control. The OPW acknowledges that in trying to repair the damage to the sluice, the temporary structure did not initially provide appropriate level of protection and did lead to the flooding in the area. I visited the area on Saturday, 1 September 2019 and I met with those affected. I take the opportunity again to thank the affected homeowners for their ongoing support and co-operation. The OPW was in contact with the local authorities over the weekend in question, and sandbags were provided to the affected householders and several pumps deployed to the area. I acknowledge and pay tribute to the council and its staff and to the people who helped out in the area in response to the incident.

In trying to agree a redress for the incident, the OPW acted promptly at all times. In the week immediately following the incident, the OPW met and wrote to those homeowners and apologised for the damage to their homes and contents caused by the situation. In that week, the OPW offered interim payment to the homeowners directly affected by the flood event so they could locate alternative rental accommodation if required and start restoring their homes to their pre-flood conditions. The OPW also appointed a loss adjustor to visit the affected homes in the week following the incident. In addition, the OPW contacted the State Claims Agency, which on behalf of the State is managing the claims for those affected homeowners as well as the GAA club and the Limerick Flying Club. The State Claims Agency is working with the homeowners affected by this event to help establish the quantum of costs in restoring the houses and the contents affected to their pre-flood position. Many of those affected have engaged their own loss assessor, and the State is covering the cost of that service. The loss adjustor has also visited the GAA club and the Limerick Flying Club with a view to agreeing the quantum of costs to restore their facility to pre-flood position. Given the numbers of houses and facilities involved and for reasons of privacy and confidentiality, the OPW cannot make comment on further details in relation to this matter.

An Leas-Chathaoirleach: I thank the Minister. I call Senator Byrne.

Senator Maria Byrne: I thank the Leas-Chathaoirleach and the Minister. I too want to pay tribute to the council staff who worked extremely hard that weekend, and the staff from the Minister's Department who came to visit. I was in a house within the past week that still has a porch loose and sitting in the front garden. That household has small children, one of whom is a baby. On health and safety grounds alone, the sooner a conclusion can be reached, the better. Some people have been sorted out already. Does the Minister of State have any idea how much longer it is going to take? We are now in the month of December and this happened on 1 September, more than three months ago. I understand that there can be queries around costs and so forth but on health and safety grounds, this must be sorted out. A total of 25 houses were affected although only five had to be evacuated. The sooner this can be resolved, the better for everybody. I ask the Minister of State to take that message back to his Department.

Deputy Kevin Boxer Moran: I will do that. I ask the Senator to bring the names of those she represents and details of the issues involved to the attention of my Department. Individuals needed help and we did our best to provide it. There are legal issues to be worked through but I want to make sure that everybody is looked after. When I visited the area I met Senator Byrne and a number of her colleagues and assured the people affected that I would do whatever is necessary to get them back into their homes and that the necessary funding would be made available. The OPW is working closely with the people affected and with the local authority. Christmas is approaching and I want to see everyone enjoying it. The last thing I want is people having to contact the Senator because they are worried or concerned about their future. I will take the information supplied by the Senator here today and relay it to the relevant parties in my Department. We will see if we can rectify the problem.

Services for People with Disabilities

Acting Chairman (Senator Maria Byrne): I welcome the Minister of State at the Department of Health, Deputy Finian McGrath to the House and invite Senator Mullen to speak.

Senator Rónán Mullen: Curaim fáilte roimh an Aire Stáit. I thank the Minister of State for

his attendance here today and for his willingness to engage on this important matter. During the Order of Business last week I highlighted an immediate threat to the provision of services for members of the disability community, specifically to the services provided by the National Platform of Self Advocates. As the Minister of State will be aware, the platform is Ireland's first disabled persons' organisation and the only one to consist of and be directed solely at people with intellectual disabilities. It was established in 2011 by people with intellectual disabilities and has been funded by a grant from a private philanthropy organisation. It regularly seeks to progress vital employment opportunities for its members and its national meeting in July of this year focused on that theme.

Unfortunately the private funding has now ceased and in the absence of direct Government assistance, the National Platform of Self Advocates will have to close at the end of the year. I do not have to remind the Minister of State of the vital contribution made by the platform to the comprehensive employment strategy for people with disabilities which runs from 2015 to 2024, a fact he recognised during a debate on the strategy in this House in May. Indeed, as I understand it, the Minister of State has been a significant supporter of the platform over the past 18 months and without his intervention, the platform would have closed at the end of last year.

I seek a response to four very practical questions. My first question is whether the Minister of State will provide clarity on whether the Government, through his Department, has committed itself to respond positively to the requests that have come from the National Platform for Self Advocates. I accept that the answer to my next question is conditional on the answer to the first. Will interim funding be considered that would allow the organisation the space to seek out or apply for other sources of philanthropic or private sector support? My third question is of particular importance. Given that the issues surrounding the impending funding deficit were known for at least 18 months, why has the situation been allowed to deteriorate to this level once again? Finally, I ask the Minister to clarify whether Ireland will stand in breach of its obligations under the terms of the Convention on the Rights of Persons with Disabilities, ratified in March 2018, if it does not support the National Platform for Self Advocates in the way that I am requesting. As the Minister of State is aware, states, including Ireland, are obliged to establish an initiative for building capacity among disabled persons' organisations in consultation with such groups. I look forward to his response.

Minister of State at the Department of Health (Deputy Finian McGrath): I thank the Senator for raising this important issue. I agree with him on it and am well aware of the valuable work of the National Platform of Self Advocates. I am glad to have the opportunity to address this issue on this important International Day of Persons with Disabilities.

The Government is committed to providing services and supports for people with disabilities which will empower them to live independent lives, provide greater independence in accessing the services they choose and enhance their ability to tailor the supports required to meet their needs and plan their lives. The overarching principle governing the planning and delivery of services and supports for adults and children with disabilities is that they should be as integrated as possible with services and supports for the rest of the population. Significant year-on-year budgetary increases in the disability sector have positively impacted on the lived experience of people with disabilities. However, I recognise that daily challenges remain for many people with disabilities and their families.

Addressing the needs and rights of people living with a disability, as well as those of their families, is a priority for the Government and my primary focus as Minister of State with re-

sponsibility for disability issues. As the Senator rightly pointed out, the UN Convention on the Rights of Persons with Disabilities supports that priority through providing a comprehensive and robust framework for the realisation of rights. The Department of Health and the HSE have responsibility for a significant number of actions under the national disability inclusion strategy, as do several other Departments. The HSE national service plan is focused on providing supports to people with disabilities and enabling them to maximise their full potential as independently as possible.

I share with my ministerial and Government colleagues a strong desire to ensure that people with disabilities are afforded every opportunity to realise their potential in every dimension of their lives. In this regard, disability advocates have been tireless champions in shaping the way we, as a society, think about disability in the context of moving towards social inclusion being accepted as the norm. The National Platform of Self Advocates was established in 2011 by people with intellectual disabilities and was funded by a grant from Atlantic Philanthropies. Unfortunately, that funding ended last year when Atlantic Philanthropies ceased operation. Since then, I have remained in regular contact with the platform to secure its immediate future through interim funding and its long-term future by trying to secure long-term Government funding. I am in constant contact with Government colleagues to secure this funding and will continue those endeavours.

In 2019, the Disability Federation of Ireland, DFI, and Inclusion Ireland will receive HSE grants of €1.2 million and €632,000, respectively, enabling them to ensure that the voices of people with disabilities are heard when it comes to changes in services and legislation that will improve the quality of life and participation in Irish society of people with an intellectual disability. The role of service users in informing health and personal social service provision through advocacy is well documented. Effective service user involvement through organisations such as DFI and Inclusion Ireland enables services to anticipate problems, address complaints, develop appropriate and effective service provision. It guarantees that service users will be at the centre of efforts to improve the quality and safety of service provision for many years to come.

On the Senator's four particular questions, I strongly support the national platform. Over the past two years, I have provided it with interim funding and I will continue to do so until the other issue is resolved. On the Senator's second point, I will respond positively to the organisation because it makes a valuable contribution to Irish society. Ten days ago, I sent a cheque of €5,000 to assist it. Further interim funding will soon be issued. As the Senator rightly pointed out, and in line with the convention, we need a group such as the National Platform of Self Advocates which is involved with mainstream disability groups such as DFI and Inclusion Ireland. Negotiations with it are currently under way.

Acting Chairman (Senator Maria Byrne): Would you like to ask a brief supplementary question, Senator Mullen?

Senator Rónán Mullen: I thank the Minister of State for his reply. Of course what he said after his scripted speech will be welcomed. It was more significant than much of what was in the scripted part. It is on the record and that is appreciated. Obviously, the questions of when and how much will be of great interest to the platform. I thank the Minister of State for that.

My underlying concern - one I have raised previously - is about the credibility of our commitment to truly advancing participatory decision-making for people with physical and intellec-

tual disabilities. I am sure the Minister of State will agree with me on this point. The dimension of people advocating for themselves is absolutely critical.

On paper, our commitments are always watertight. However, recent experience with Cuisle as well as this immediate crisis for the national platform suggests that there is still work to be done towards actively realising those commitments.

Representatives of the disability voluntary sector appeared before the health committee prior to the summer recess. Their testimony, almost to a person, was that the existing framework of support is tottering on a knife-edge of financial and institutional collapse. In fact, to use the words of the representative from Rehab when speaking about the broader disability sector, the house is falling down. I do not mean to be political but it is hard to avoid concurring with that assessment when we see what is happening. Anyway, I thank the Minister of State for his response. We obviously look forward to seeing the meat put on the bones of that response, so to speak.

Deputy Finian McGrath: Clearly, a central goal of the Government's disability service reform is to support people with disabilities to enable them to live independent lives in the community and to make their own choices and decisions. The national platform, as far as I am concerned, is one of the organisations that does this effectively. I have worked with those involved during the past three years since I became a Minister of State. I have them as consultants, I use them as advisers and I give them some interim funding because I respect the work they do. The key thing for me is that I respect the fact that they are disabled people speaking for the disabled and not NGOs or chief executives from big organisations. They are on the ground themselves.

In 2018 I launched the Transforming Lives report on effective participation in decision making. Working group 3 was an inclusive group of people with disabilities, family members and organisations working with people with disabilities and the HSE representatives, thus ensuring that a broad church of opinion was heard during a comprehensive consultative process.

The recommendations arising from the report offer a roadmap - this is the key argument I make with the various Departments - to the effective participation of people with disabilities in making decisions about the design and delivery of the supports they need to live their lives and to live ordinary lives. A representative of the national platform - this is a very important thing - was a member of the strategy group and the advisory group on personalised budgets, for example, thus ensuring that their opinions were taken into account at all times. This led to the publication of the final role. Those involved made a positive contribution.

As I outlined earlier, the Disability Federation of Ireland and Inclusion Ireland receive considerable funding from the HSE to provide advocacy services for people with disabilities. We tried to get some of those involved in assisting in the funding issue but there is something of a blockage - I will be straight with Senator Mullen about that.

It is important to avoid duplication having regard to the availability of resources. This is a point I accept. However, I accept that the national platform has a role to play. As far as I am concerned, those involved have my support and I am continuing to push this within Government. In the meantime, there is no question of it closing. As far as I am concerned, the organisation will get the interim funding from me. However, I am keen to see stable funding. As the Senator rightly pointed out, we need stability in the sector. This organisation has a fantastic three-year plan which I support and which is supportive of me. Senator Mullen can bring this

message back to the national platform: I am in there supporting it. It will have interim funding in the coming week or so to keep it going beyond January.

Road Signage

Senator Frank Feighan: I thank the Minister of State for coming in today. He understands this situation well. I will set out some background to this issue for those who may not be familiar with it. Back in the 1990s, official road signs began popping up around Enniscrone and many other towns and villages throughout the country directing people to “Inishcrone”. Since then difficulties are being posed for tourists and visitors who want to visit Enniscrone but are confused by a different spelling. When I was growing up, Enniscrone was our local seaside area and we never knew it as anything else. Local people have articulated these concerns over several years, rightly believing that visitors intending to come to Enniscrone have difficulty finding the place and because it is confusing end up in an entirely different place. There has been a welcome increase in visitor numbers due to the development of the Wild Atlantic Way but, unfortunately, many businesses have said these visitors are simply getting lost. This is due to the fact that they cannot locate the town because they are looking for Enniscrone and the sign says “Inishcrone”. The problem is exacerbated by satnavs or Google Maps, which we all use in our vehicles, because many recognise only Inishcrone as opposed to Enniscrone. The local economy is losing out.

These mounting concerns have led a strong community campaign, which has been lobbying for one placename spelling to be used consistently across the board. Thankfully, this issue will be resolved through the use of a plebiscite, where local people will have their say on a preferred placename, to be carried out by Sligo County Council. As part of the local campaign, I have made numerous representations to the Minister of State. This included facilitating a meeting at the Department of Communications, Climate Action and Environment between the chief stakeholders and the Minister. The Minister of State has been engaged on this important issue. Certain legal work has to be completed in order that the plebiscite can be held. I understand that legal provisions require updated regulations for the holding of plebiscites to change place-names.

I attended a public meeting well over a year ago. There must have been 500 or 600 people there and the vast majority want this addressed as soon as possible. I look forward to hearing the Minister of State’s reply.

Minister of State at the Department of Housing, Planning and Local Government (Deputy John Paul Phelan): I thank the Senator for raising this important matter. The name by which people know their own locality or by which others recognise it is pretty fundamental. As well as being a beautiful place, Enniscrone is a popular destination. It has been for years but, as the Senator pointed out, it has benefited in recent years from the Wild Atlantic Way and golf tourism in particular.

The changing of placenames should be possible at local level through a democratic process. I fundamentally believe in the right of the residents of any area to be involved in resolving issues such as this. This is also consistent with the spirit of a associated placename provisions in enactments given effect over the years by the Houses of the Oireachtas. Placenames are a core part of people’s identity and people hold strong views concerning the proper representation of a local placename. A placename may also be a means by which, as the Senator pointed out, a

town, village, or area is more widely recognised and markets itself to visitors. It is, therefore, appropriate that there should be a mechanism or process that allows local people to express their views on such a matter.

Sligo County Council has contacted officials in the Department and expressed an interest in holding a plebiscite to determine the official placename that should be assigned to the town of Enniscrone. As the Senator will be aware, I met a delegation of concerned residents from the area a few months ago. Following the enactment of the Local Government Act 2019, provisions under Part 18 of the amended Local Government Act 2001 relating to the change of names of areas were finally commenced. The commencement of these provisions allows for new regulations to be given effect for the holding of local plebiscites for the purpose of changing placenames. My Department has prepared draft regulations for this purpose. However, during the drafting process, a further complication and legal concern was identified regarding the interaction of this Part and provisions relating to placenames under Part 5 of the Official Languages Act 2003, which is under the aegis of my colleague, the Minister for Culture, Heritage and the Gaeltacht, Deputy Madigan.

I have now received legal advice on the matter that it would not be possible under Part 18 of the Local Government Act 2001 to change a placename in a non-Gaeltacht area that is the subject of a placenames order under Part 5 of the Official Languages Act 2003. The Department's legal unit has contacted its counterpart in the Department of Culture, Heritage and the Gaeltacht to invite its observations on the matter. I have also spoken to the Minister, Deputy Madigan, and the Minister of State, Deputy Kyne, about it. It is intended that both Departments jointly will seek the further advice of the Office of the Attorney General. If there is an unintended conflict between the two separate statutory frameworks, it may be necessary to resolve the matter by additional amendments to the relevant provisions before giving effect to the regulations for the holding of local plebiscites. I know this is a further complication and delay but it is better to ensure that the process we undertake in the form of a plebiscite would be legally supported. Now that there is some further clarity on the complex legal issues involved, contact has been made between in the Department of Housing, Planning and Local Government and those in the Department of Culture, Heritage and the Gaeltacht, as I have said. The aim is to try to seek agreement in principle as to how to proceed so that the matter can be resolved. In this regard, I understand that a potential piece of legislation is on the schedule and that there is an Official Languages (Amendment) Act that on the parliamentary schedule. The Department's policy objective is that it should be possible for a plebiscite to be held in any area to change a placename. The same mechanism for doing so should apply everywhere in Gaeltacht and non-Gaeltacht areas. Resolving this matter will allow the Department to make necessary regulations to allow the people of Enniscrone to have a say in the naming of their locality.

Senator Feighan is right to point out that there are other examples around the country where the provision of new signposting maybe 20 years ago resulted in names being used that were not the names that people locally recognised or at least not spelled in the manner the people locally would recognise.

I will conclude by welcoming the Senator's long-standing interest in the matter. I will certainly keep him informed and updated with regard to any changes that may need to be made in the law by means of the amending legislation coming before the Oireachtas soon.

Senator Frank Feighan: This has gone on quite a long time. It sounds as if there is a turf

war between two Departments. I would like to see this resolved as quickly as possible. The Minister of State is talking about legal matters and clarifying various issues. I urge that they are clarified as quickly as possible. The Minister of State rightly said that the legislation is there to be brought before the Dáil. I hope this could be done before the Christmas period and we could get this issue resolved once and for all. Somebody on Facebook asked why we were talking about placenames and said it is not a problem. As the Minister of State articulated, because everyone uses Google maps and satnav, it has become very important. I know of some fellows who went to the ploughing championships last year - I think they were Deputies - and they put in the wrong name and ended up 50 miles away. I will not say we are getting lazy but we are not following the signposts any more, we are just following our Google maps and satnav. It is more important now than ever that this is resolved. I thank the Minister of State for the attention he has given this matter so far. We need to get these two Departments together to deal with the situation once and for all.

Deputy John Paul Phelan: I would like to reassure the Senator that there are no turf wars at this stage. This time last year, just before the session ended, the Local Government Act went through this House and we hoped that would allow for the regulations to be drawn up. It turned out the amendment that was included in that Act only applied to the possibility of holding plebiscites in Gaeltacht areas. That was an oversight at the time. We do not want a situation where we hold a plebiscite and it is challenged and it is found there is no legal basis for it to be held. We firmly believe that local people should be able to have their voices heard on important matters like placenames. The Senator is correct. I find myself guilty of this as well. We have become lazy. I do not know who the Deputies were who could not find their way to Carlow. I reassure the House that I know my way to Carlow. They ended up 60 miles away. That is not much of a statement about their sense of direction.

Acting Chairman (Senator Maria Byrne): I thank the Minister of State and Senator Feighan.

Schools Building Projects Status

Acting Chairman (Senator Maria Byrne): I welcome the Minister of State, Deputy Haligan. I invite Senator Gallagher to outline his matter.

Senator Robbie Gallagher: Ba mhaith liom fáilte a chur roimh an Aire Stáit go dtí an Teach seo inniu. The Minister of State is welcome to the House. I thank him for taking time to be here. Ballybay community college applied for an extension to its school facilities in 2015. The extension incorporated two classrooms, a science room and a science preparation area. The school has been waiting patiently for some years for some good news from the Department. Along with the local councillor for the area, the current cathaoirleach of Monaghan County Council, Seamus Coyle, I have raised this issue on numerous occasions, most recently three weeks ago, with the Minister for Education and Skills, Deputy McHugh. Yesterday, I requested that a Commencement debate on the matter be arranged for this afternoon and I am pleased it is going ahead.

Ballybay community college is a successful school with more than 338 students. The numbers, thankfully, are increasing year on year. The school is located in the centre of County Monaghan and caters for a wide catchment area. The school has a great record on the academic front and on the sporting field. Last year the school won an all-Ireland football championship

title for post-primary schools. The school is very successful and is blessed with excellent, dedicated and hard-working teachers under the guidance of principal, Moyah Lynch, and deputy principal, Conall Ó Grianna. The school is progressing at a great rate.

I understand the Minister of State may have some good news for us this afternoon. I believe the Department was in contact with the school yesterday evening and perhaps again this morning. I eagerly look forward to the response of the Minister of State, Deputy Halligan, in the Chamber this afternoon.

Minister of State at the Department of Education and Skills (Deputy John Halligan):

I thank Senator Gallagher for bringing this very important matter to the attention of the Department. I know he has been to the forefront of promoting this project for a long period. On behalf of the Minister, Deputy McHugh, I wish to outline to the House the current position regarding a new building project for Ballybay community college. I can confirm to the Senator that my Department has received a request from Cavan and Monaghan Education and Training Board, CMETB, for additional accommodation for Ballybay community college. The request has been given careful consideration. In that respect, I am pleased to inform the House that approval has been given for the provision of a stand-alone extension to the existing accommodation of the school. As the Senator correctly said, this extension will include two general classrooms, a science lab and a science preparation area. The project is being funded under my Department's additional accommodation scheme.

As is usual with such projects, its delivery has been devolved to CMETB. It is being progressed with a view to resolving the issues referred to by the Senator and to increasing the accommodation that it currently occupies. Under my Department's additional accommodation scheme, the next step in progressing this project is for the CMETB to arrange for a consultant to carry out the work necessary to bring it through the various stages of architectural planning and onwards through construction in due course. The board will also engage with the Department at various stages in the process in that context. The first stage in the process will be the completion of a detailed design for the project. In accordance with the terms and conditions of the scheme, the CMETB will be required to seek approval from the Department at this stage, namely, stage 2(a), of the design process. The Department will review the designs presented to it in that respect. Subject to the Department being satisfied with these proposals, it may then authorise the board to proceed to lodge a planning application for the project. The CMETB will then bring the project through the planning process and may need to revert again to the Department, depending on the outcome. At that stage, subject to departmental approval and the tender process, the board and its consultant will proceed to tender for the contractor to carry out the building works. This project will supersede an earlier project, which, as the Senator will be aware, was for the provision of a science laboratory and preparation area only. This project had been approved but could not proceed due to the significant cost and design challenges. The entire approved provision for the project is now included in the revised provision. I am delighted to make this announcement. I am sure the pupils, staff, parents and the entire community of Ballybay and its catchment area will benefit from this critical extension project.

Senator Robbie Gallagher: Gabhaim buíochas leis an Aire Stáit. That is, indeed, good news and I thank him most sincerely for relaying it to us. I take this opportunity to thank the school's board of management, the parents' association and the CMETB for their work in bringing this project this far. I also thank the Department for finally giving us the go-ahead to move on to the next stage. This is a great investment for the taxpayer because the school will continue to thrive and the young people of Ballybay and its surrounding areas will be the beneficiaries of

this investment. I look forward to the project proceeding without delay to its ultimate conclusion as soon as possible.

Deputy John Halligan: I again thank the Senator for raising this important matter. I assure the House that the CMETB is fully committed to providing this critical new school accommodation and that it will be supported by the Department, particularly in the key stages in the process. The Department remains fully committed to progressing this project.

Sitting suspended at 3.12 p.m. and resumed at 3.30 p.m.

An tOrd Gnó - Order of Business

Senator Jerry Buttimer: The Order of Business is No. 1, motion re the Horse and Greyhound Racing Fund Regulations 2019, back from committee, to be taken on the conclusion of the Order of Business without debate; No. 2, Finance (Tax Appeals and Prospectus Regulation) Bill 2019 - Committee and Remaining Stages to be taken at 4.45 p.m.; and No. 3, Finance Bill 2019 - Committee Stage to be taken on the conclusion of No. 2.

Senator Catherine Ardagh: Today is the International Day of Persons with Disabilities and, instead of celebrating diversity and inclusion, it is with regret that I speak of our failure to prioritise disability funding, particularly for those who need wheelchairs to get around and access shops and other places in their communities on a day-to-day basis.

The waiting lists alone for the assessment of need by an occupational therapist for someone looking for a wheelchair is 28 weeks. Once one is assessed and given the green light, one is then placed on a second waiting list for funding for a chair. Waiting lists for the assessment of need are too long and it is disgraceful that the waiting lists for funding are so long. These are the most vulnerable people in our society and it galls me when we see such blatant waste of spending on other areas in these Houses and Dublin City Council when people who actually need a piece of equipment to get around are denied it. It is unfair.

My colleague has raised the closure of the Cuisle respite centre and holiday hotel for people with disabilities in Roscommon, run by the Irish Wheelchair Association. We need to look at exactly where we are spending our money and what are our priorities for people. It seems most unfair.

I also raise an issue around education. I would like a debate in this House on the introduction of free schoolbooks for primary and secondary education. Mol an óige agus tiocfaidh sí; cáin an óige agus craolfaidh sí. It costs parents approximately €500 a year for books and other costs related to sending their children back to junior school. It costs approximately €1,000 a year for secondary school. That is a considerable amount of money and it would be welcome if we could give free schoolbooks and have a special system whereby parents would not have to go out and spend these amounts of money. I acknowledge that it is halfway through the school year now but, if we are having a debate such as the one I am proposing, it should be had in a timely manner to give the Department a chance to prepare for such a scheme. The cost of bringing in free schoolbooks would be 0.2% of the overall Department's budget. It is a small thing that would be really valuable. I would love to have a debate in this House on that matter.

Senator Victor Boyhan: I congratulate all those who took part in the recent by-elections, those who were successful and unsuccessful. It takes courage to put oneself out in any election but particularly in a by-election. To candidates of all groups, parties and none, I send congratulations for engaging in the process. Leading on from that, I thank and congratulate those who were successful. It is a great honour and privilege for those Members to come to Leinster House today and I wish them well and every happiness in their work.

The real thing I want to ask about is the electoral commission. The Leader is aware that the programme for a partnership Government mentions it. This is very important legislation that needs to be enacted. There are things that could happen in the meantime, in particular with regard to the Standards In Public Office Commission, SIPO, which called for an electoral commission and legislation to deal with digital political campaigns and finance from outside this State and its impact on elections. According to SIPO, the unregulated nature of social media campaigns “allows for foreign actors to influence Irish elections and referendums, with potentially significant consequences”. These actors do not even have to be foreign. We know what is happening in here in terms of social media. The Leader has spoken about it. There are a significant amount of things happening in or around this area that influence the outcome of elections. It is important that we have an electoral commission. I spoke to a number of people who were involved in the by-elections who told me that the register is out of date by about 20 years. A man in Wexford told me that he was told on one doorstep that the only two people entered on the register for that house had been dead for 15 years so we clearly have a lot of work to do with regard to cleaning up the register.

We also have a lot of work to do in terms of engaging with, educating, encouraging and supporting people to engage in the political process. This is a challenge for everyone in politics. How can we get young and old people - all people - to engage in this process and make them feel that the question of who they put into Parliament is relevant to their lives? It is important for us to have an independent electoral commission regardless of what type of election is involved. I know the Government has committed to it and I also know that time is running out. I would like something like a memorandum or update on where we with regard to this legislation because it is important. I do not think anyone in either House disputes the need for an independent electoral commission because it is critically important.

It is time for us to have a debate again about how we can engage with young people. I have always been an advocate of allowing 16 year olds to vote in elections. They are much more sophisticated than we were at that age. They have much more access to information. It is not always accurate information but it is information. I read some commentary in the press today regarding allowing 16 year olds to register in order that they are registered on the system. I think that is good but it is important that we revisit the question of giving them the vote. Traditionally, Fine Gael led in this area. Many years ago, the Young Fine Gael organisation was a great advocate for it. Some of these people are now Members of the Seanad and Dáil. They led the way in terms of advocating for young people to engage in the political process. It is important so I would like a debate at some point on how we can get 16 year olds in. My focus today is on whether we can start and get this independent electoral commission up and running because it will serve democracy, the parliamentary process and the body politic well and is something with which we need to push ahead.

Senator Rose Conway-Walsh: I extend my condolences to the families of Jack Merritt and Saskia Jones, who were both killed in the London Bridge attack. I commend both of these young people, who were champions of the victims of the criminal justice system, for the fan-

tastic work they did during their short lives in the Learning Together programme for victims and the rehabilitation of prisoners. I also commend the bravery of Jack's father, Dave Merritt, when he spoke about hate crime and the work his son and Saskia Jones did. We have a lot to learn from that. I also commend the members of the public who came forward to protect others who could have been the victims of this attack. There is learning for us all in the fact that they were immigrants. I again emphasise the importance of speeding up the hate crime legislation that is in process here. It is taking far too long. There needs to be an urgency around that. The Leader might just give us an update and times on that.

On a better note, I congratulate my colleague, Deputy Mark Ward, who got elected over the weekend and who arrived in Leinster House today, and, indeed, the three other newly-elected Deputies. I thank my party's other candidates, Councillor Thomas Gould, Councillor Ann Graves and Mr. Johnny Mythen for the successes that they have achieved. I commend all the candidates who put their names forward, including my cross-party colleagues in the Seanad who put their names forward for the democratic process.

What we have learned from the results over the weekend is the growing anger out there that despite the growth in the economy, the vast majority of families and workers have less money in their pockets than when Fine Gael, supported by Fianna Fáil, came into government. People told us about the cost of rents, childcare, healthcare and insurance. As for my party's result, it is due to us setting out how we would deal with all these issues and, indeed, how we would plan for Irish unity which is important.

As Senator Boyhan said, we cannot ignore the low turnout in these elections and the need for the electoral commission and for us to look at how we can engage genuinely with young people and facilitate people to vote from 16 years of age. This is crucially important. We need to engage with young people and to facilitate people aged 16 and over to vote and take part in the democratic process. We cannot merely pay lip-service to these issues. We have to work on them. We cannot say we agree with something and then do nothing about it. There is a job of work to be done here. We need to have a discussion in this Chamber on voting rights for young people of 16 years of age and above.

Senator Colette Kelleher: Ireland's record on combatting racial discrimination under the UN Committee on the Elimination of Racial Discrimination, CERD, is under scrutiny by the UN in Geneva this week. In his opening address to the UN committee, the Minister of State at the Department of Justice and Equality, Deputy Stanton, stated that "Ireland has also looked outwards with regard to its international obligations towards those fleeing conflict and persecution", and that Ireland has "developed family reunification initiatives to enable families and communities to bring to Ireland relatives living in areas of conflict." This is not quite correct, or at least not correct according to the Irish Human Rights and Equality Commission, IHREC, which stated in an independent report on Ireland's compliance with the UN Committee on the Elimination of Racial Discrimination, which was published last week that it has "serious concerns regarding retrogressive measures on family reunification introduced in the International Protection Act 2015 that limit the statutory right to family reunification to members of the nuclear family, and requires family reunification applications to be made within 12 months of the grant of refugee or subsidiary protection status – a timeframe that is impossible for many refugees."

My International Protection (Family Reunification) (Amendment) Bill 2017 offers a pathway forward in line with the IHREC report. I ask the Taoiseach and the Government to grant

this modest Bill a money message. This would be a quick and easy step for the Government to take as the Bill has passed all Stages in this House and Second Stage in the Dáil in December last with sizable majorities. If there are improvements to the Bill from a Government perspective, these can be worked out on Committee Stage. A money message for the International Protection (Family Reunification) (Amendment) Bill 2017 will allow us to expeditiously move forward and take prompt action on our responsibilities to refugees under the International Convention on the Elimination of All Forms of Racial Discrimination. If passed, this Bill would bring the State into line with UN CERD obligations and would mean a great deal to people who are desperately seeking to reunite with family members. I refer to people such as Mr. Izzeddeen Alkarajeh, who submitted a statement to the Joint Oireachtas Committee on Justice and Equality for the detailed scrutiny of the International Protection (Family Reunification) (Amendment) Bill 2017 which took place in February last and who is desperately seeking to reunite with his mother who is in a very dangerous situation in Palestine. At a time of rising anti-immigration sentiment, it is important that we as legislators reaffirm our commitment to welcoming people in need of international protection with openness and warmth. A money message for the International Protection (Family Reunification) (Amendment) Bill 2017 would be a step in the right direction, as there are only incidental expenses involved under that Bill.

The UN committee in Geneva has also heard from a number of Traveller NGOs and others who also highlight how the State is falling short in the areas of Traveller accommodation, hate speech, education, health, employment, and more. Many of these issues have also been raised in the Joint Committee on Key Issues affecting the Traveller Community, which I chair. The UN rapporteur for CERD, Dr. Shepherd, commented favourably on the Traveller Culture and History in Education Bill 2017, which has passed all Stages in the Seanad. We need to progress this Bill and pass it through the Dáil, as the Minister for Education and Skills, Deputy McHugh, promised on 16 October. The passing of this Bill would be yet another brownie point for the Minister and the State and a step forward for Ireland in fulfilling its UN obligations. I have done bits of work for the Government, both on family reunification and Traveller culture and history. All it needs to do is to take these up and run with them. Can the Leader invite the Minister of State, Deputy Stanton, who delivered Ireland's statement to the UN committee to the House to outline what actions and commitments the Government will take on foot of the hearings today and yesterday in Geneva? I will listen with great interest and intent as to Government actions on family reunification, as well as Traveller rights, to include, in particular, the teaching of Traveller history and culture in education.

Senator Kevin Humphreys: I acknowledge Senator Kelleher's work on dementia and her concerns about it. We thought we were making progress, where there was a line referring to it in the latest budget.

I refer to the issue of Saint Joseph's Shankill, which was debated in the House with the Minister of State, Deputy Daly, as recently as 12 November. A notification was sent out earlier this week that no further beds would be made available for long-term dementia care in Saint Joseph's due to lack of funding. The Minister for Health, Deputy Simon Harris, made clear statements on the facility when this issue was debated in the Lower House. He gave a commitment that the doors would not close and said:

Saint Joseph's is a brilliant facility. It needs to be supported and it will be supported, and remain open. This facility will not close.

However, the 60 residential beds in the centre are closing. I am disappointed that the Min-

ister would give such clear statements in the Lower House. I have to be very careful not to use toward “liar” and I will not-----

Senator Jerry Buttimer: The Senator just did.

Senator Kevin Humphreys: -----but perhaps Pinocchio is growing a very large nose on issues like this.

An Leas-Chathaoirleach: With respect, Senator, this should not be implied either.

Senator Gerald Nash: This was a literary allusion.

Senator Terry Leyden: It is quite in order.

An Leas-Chathaoirleach: When we want Senator Leyden’s advice, we will ask for it.

Senator Kevin Humphreys: The Minister asked for Saint Joseph’s administrators to enter into intense negotiations with the National Treatment Purchase Fund, NTPF, which they did. In those discussions, the NTPF identified that the cost for a patient to stay in this facility was approximately €1,783 a week. Why did it offer to maintain the same patient for €1,350 a week? When that came to light, Saint Joseph’s appealed the decision but the appeal will not be heard or adjudicated on until next March. One cannot ask a charitable institution to spend funds that it does not have on the basis of an appeal. This has been going on for a decade.

With reluctance, I propose an amendment to the Order of Business calling on the Minister for the Health to attend this House, immediately after the Order of Business to explain his remarks and, in particular, if he is still as certain as he was in the Lower House that Saint Joseph’s will remain open. On the financial figures we have been given, it will not remain open. I am only raising one issue and will be brief and finish on this point. When the Minister of State, Deputy Daly, came to the House, I challenged him on the same statements and he avoided and dodged. He said that the National Treatment Purchase Fund was independent. If that independence was there when the Minister, Deputy Harris, said in the Dáil that the doors would not close and that the facility would remain open-----

An Leas-Chathaoirleach: The Senator has gone one minute over his time.

Senator Kevin Humphreys: Saint Joseph’s is a brilliant facility. The family members I have spoken to in recent days are deeply concerned that those beds will be lost-----

An Leas-Chathaoirleach: I thank the Senator.

Senator Kevin Humphreys: -----and that 340 patients on the waiting list to enter that care centre will no longer have any hope.

An Leas-Chathaoirleach: The Senator has made his case.

Senator Kevin Humphreys: Yet the Minister had the brass neck to make those statements in the Lower House.

An Leas-Chathaoirleach: The Senator has gone a minute and a quarter over time.

Senator Kevin Humphreys: It is not acceptable, which is why I proposed my amendment to the Order of Business.

An Leas-Chathaoirleach: The Senator moved an amendment that the Minister, Deputy Harris, be brought into the House immediately after the Order of Business.

Senator John O'Mahony: On Thursday I raised the issue of governance in sport as a result of the KOSI report that was published last week and presented to the Garda by Sport Ireland. I called for the Minister, Deputy Ross, to come to the House to discuss the matter. Since then events have overtaken that request, in that the CEO, who had been appointed and was due to meet the FAI staff yesterday morning, pulled out at the last minute. I have no idea as to the reasons for that. Meanwhile regional officers, FAI staff, coaches and children's and women's teams are awaiting funding. The Minister has issued public statements but has not explained in the Houses how the funding that had been withdrawn is to be restored while all of this chaos exists in the background.

Governing bodies have previously shown that they can be turned around by appointing the right people. The Olympic Federation of Ireland is one shining example in the past three or four years. It is time for the Minister to come to the House to explain and to join up the dots as to what is happening.

Senator Robbie Gallagher: In September I raised in the House the plight of the community of Magheracloone, County Monaghan

Senator Jerry Buttimer: What is it called?

Senator Robbie Gallagher: Magheracloone.

Senator Gerald Nash: Blind spot.

Senator Robbie Gallagher: I thank Senator Nash.

Part of a mine collapsed in the area, resulting in major subsidence. The result was that many families had to leave their homes. The local community centre and GAA pitches were left completely out of bounds. As one can imagine, it was a major blow to the community in County Monaghan, and particularly for the people of Magheracloone. The local GAA club, Magheracloone Mitchells had no pitch to play on. Many clubs in such a situation would have folded up. However, I am glad to report that Magheracloone Mitchells did not do that. The GAA members pulled themselves together and availed of the services of local GAA clubs in Cavan, Meath and Louth to keep the show on the road.

The club went on to compete in the intermediate football championship in Monaghan and won the county title. Last Sunday in the Athletic Grounds in Armagh, it went on to win the Ulster intermediate football championship by defeating Galbally of Tyrone by 1-15 to 0-13. It is a fantastic story of a club and a community that refused to lie down. They galvanised themselves together and last Sunday afternoon, the club completed a fantastic task and now goes to play in the all-Ireland semi-final in a few weeks' time. It is an inspirational story of rising from ashes to glory to achieve such greatness. I hope that the club wins the semi-final and goes on to win the All-Ireland title. I wish its members every success. They and their community are a shining example to the rest of the country.

Senator Michael McDowell: There are demonstrations from time to time outside of this House. Today, a number of people were here protesting about changes made by the Department of Justice and Equality to the circumstances and way in which bingo is operated in various cen-

tres in the country. All of that is dealt under the Gaming and Lotteries Act, as amended.

The simple fact is that there is a far more serious issue that is not being addressed at all. I refer to the flagrant breaches of the law being perpetrated daily on our main streets in our main cities - Cork and Dublin I believe - whereby casinos, gaming arcades and amusement arcades are being operated without any appropriate legal foundation whatever. In the city of Dublin the local authority, many years ago, resolved to cancel authority for amusement machines, one-armed bandits and gaming machines being operated in arcades in the city. A case went to the Supreme Court about it. The Supreme Court upheld the decision of the local authority and held that the operation of these machines in Dublin, thereafter, was illegal. Since that time a number of these arcades, amusement places or casinos, as they call themselves on the outside, have cropped up now and are open. One of them, I am reliably informed, has in its entrance an ATM machine. This is absolutely illegal. There is no possible basis for opening and maintaining these places. They are exploiting the weak-minded, in my view, in an unconscionable way but, most important, they are breaking the law of the land. Members of An Garda Síochána have the right to visit premises and seize gaming machines, which are being operated illegally. That should happen right across Dublin. The Garda authorities in Dublin are not doing that. If this is being done on the advice of the Attorney General then I would like see why it is that a clear breach of the law of the land is being countenanced by the Attorney General. If it is not being done on the advice of the Attorney General then it amounts to a gross dereliction of duty.

Finally, I want to say that an awful lot of terrible misery arises from a gambling addiction. Gaming machines, such as they have in Britain all over the place and in Ireland in certain restricted places, subject to the entitlement of local authorities to decide locations, are an easy entry into addictive gambling. It is about time that the law was upheld. It is about time these places were closed. I would like the Leader to ask the Minister for Justice and Equality to come to this House and explain why it is that in the city of Dublin casinos and amusement arcades, with these machines, are operating flagrantly in breach of the law of the land? Why is that situation being tolerated? What do the Minister and the Garda Commissioner propose to do to stop it?

Senator James Reilly: I share the concerns of Senator McDowell in this regard. Gambling brings with it tremendous hardship and pain for families. I have known people to take their lives as well as suffer the consequences of the debt that they find themselves in.

I rise here today to thank the Minister for Education and Skills for coming to visit Skerries and Rush in the past few weeks. He brought positive news about the go-ahead being given for a permanent extension to the community college. The bottom line is that we have a pressing and immediate problem as there are no school places for many children in Skerries and Rush.

The people of Skerries, in particular, are very concerned. The Minister very kindly pointed the way forward in terms of ensuring that the principals would come together under the auspices of the Department of Education and Skills to find a solution for some 60 children in the Skerries community area who have no place next year. Parents and children are frantic, and we need an immediate solution for next year. September of next year will be along before we know it. Parents are going to go through Christmas uncertain as to what lies ahead for their children. They want their kids to be able to go to the same school as their friends who they have been in school with for the last number of years. The clubs in Skerries want to ensure that they do not lose these children to other communities because they have to travel somewhere else to a secondary school.

What I am really asking for is for the Minister to ensure that this work starts as soon as possible before Christmas because this is not something that can wait. People need certainty. They have to make arrangements and decisions. I would also ask that the Minister consider a new school for the Skerries area because it is very clear that rather than resolving this issue, it will get worse as more houses are built in north Dublin.

I would be very grateful if the Minister would consider meeting the parents to reassure them. The most important thing now is to ensure the Department of Education and Skills gets the principals of the various schools in the area together and starts to address where children are going to go to school next September.

An Leas-Chathaoirleach: I call Senator Paul Gavan.

Senator Paul Gavan: The last time I asked for a debate on equality or inequality in the Chamber, Miriam Lord wrote in *The Irish Times* the next day that there was some hope of ever having that. However, I have faith and I would ask the Leader that we have a debate on the issue of inequality in our society. I want to give two examples that popped up over the weekend. The first was the data on private fee-paying schools. We see that they still have a very strong grip on the most sought-after third level courses. Half of the 25 schools which sent the highest proportion of their students to third level this year were fee-paying schools. I would ask the Leader to reflect on the fact that while we invest €60 million on DEIS schools, taxpayers lavish €90 million on private fee-paying schools to pay for salaries. To put that in perspective, even the British Tory Party - perhaps the most right-wing bunch of nutters we have come across in recent years - does not ask for private fee-paying schools to be subsidised by the taxpayer. Apparently, this Government continues to do so.

I also want to highlight the special assignee relief programme, because we saw the figures released there, including a €28 million subsidy to some of the richest people in the State, millionaires who get 30% tax relief on income over €75,000. The cap is at €1 million. We had 1,100 people benefit to the tune of €28 million in 2017. Interestingly, some of them can get double bubble because they can also claim €5,000 a year tax relief allowance for private schools fees for their children.

We see these subsidies lavished on the very wealthiest sections of our society while at the same time we see that this Government has frozen the minimum wage.

Senator Jerry Buttimer: No, it has not.

Senator Paul Gavan: Yes, it has. We saw no welfare rate increases and no pension rate increases.

Senator Jerry Buttimer: Ah Jesus.

Senator Paul Gavan: Senator Buttimer can say “Ah Jesus” but if he is up there, I do not think he would be impressed with Fine Gael lavishing moneys on the very wealthiest sections of our society. There is a €90 million subsidy to fee-paying schools. That is what Fine Gael stands for-----

An Leas-Chathaoirleach: I thank Senator Gavan.

Senator Paul Gavan: -----while people struggle in their everyday lives. It is not good enough and I call again for that debate on equality.

An Leas-Chathaoirleach: I thank Senator Gavan. I call Senator Colm Burke.

Senator Colm Burke: I remind the last speaker that this year, €21.2 billion will be paid out in social welfare and that the amount has increased each year since 2011, when we came into government. That €21.2 billion is currently being paid out.

The issue I raise is one that has been brought up in this House on a number of occasions over the last 12 months. It is now time to examine it from the point of view of the new round of wage negotiations that is due to commence across the public service. One group of people who will not be at those negotiations are members of the Defence Forces and the Naval Service. It is important to establish a new structure to deal with this issue, given that they are not at the negotiating table. There is a separate commission to deal with the members of defence forces who are not entitled to be at such negotiations in other EU countries. A separate commission should be established to deal with the pay structure needed for the Defence Forces. We must continue to increase the numbers in the Defence Forces and to ensure there is security for them. There must also be a clear picture as regards their salaries into the future. A separate pay commission should be established at an early date to deal with this issue and to ensure there is a proper structure whereby the Defence Forces can be adequately remunerated for the work they do, be that in respect of pay or allowances for difficult circumstances. We should give serious consideration to this.

Senator Gerald Nash: I second the proposal from my colleague, Senator Humphreys, to have a debate on the future of Saint Joseph's in Shankill. It is an important facility for families in the south County Dublin and north Wicklow areas.

We must have a debate on the provision of second level education places in the Fingal area, as Senator Reilly mentioned, as well as the south Louth and east Meath areas. Every day I deal with families in Drogheda, Laytown, Bettystown and Mornington who are still waiting to be allocated places in local schools. Coláiste na hInse in Bettystown is oversubscribed as is a successful local Educate Together school, Ballymakenny College. That is the case with many other schools in the area. The Drogheda Educate Together school is a new second level school and we had to persuade the Department of Education and Skills in recent weeks to allocate an additional 24 places to allow it to meet some of the demand in the area. This is a consequence of the enormous development that is taking place in the Drogheda and east Meath area. Indeed, there will be future development. There are approximately four strategic housing development proposals and if they proceed, the equivalent of the population of Ardee will be added to south and east Drogheda over the next three to four years. We simply do not have the school places to accommodate the demand. This is urgent and we must have a debate in the House on it.

Tomorrow, there will be a demonstration outside the Houses by Tara Mines workers. They have been enjoying flat rate expense allowances from the Revenue Commissioners to allow them to obtain gear and the other material they need to do their jobs. The Revenue Commissioners are currently undertaking a review of the flat rate expense allowances enjoyed by shop workers, firefighters, nurses and healthcare assistants to the tune of a couple of hundred euro each year to allow them to address the needs they have in the context of the work they do. The Tara Mines allowance is worth €1,132 to those who work underground and €655 to surface workers. These are legitimate expenses accrued by them in the course of their work. There are legitimate expenses that small business owners and sole traders are allowed to recoup from the Revenue Commissioners to allow them to do their business, but now the Revenue Commissioners and the Department of Finance are going after the small expense allowances enjoyed by

PAYE workers. This must stop now.

Senator Terry Leyden: Today is International Day of Persons with Disabilities. The Government and the Irish Wheelchair Association celebrated it by closing Cuisle in Donamon, County Roscommon, last Friday, 29 November. This is a monument to this Government's inaction, inability and uncaring attitude. The Minister of State with responsibility for disabilities came into this House and washed his hands of the issue like Pontius Pilate. He said he did not know anything about it and that he would not, and could not, do anything about it. He did not care. He does not represent the disabled people of this country. It is a farce. He is running for re-election in his own constituency and the rest of the country can go to hell. The answer will be given next year and that answer will be very strong. If there is a Fianna Fáil, Labour Party and Green Party Government, then so be it.

Senator Gerald Nash: The Senator's crystal ball is cracked.

Senator Terry Leyden: One thing is certain, there will be Ministers-----

(Interruptions).

Senator Terry Leyden: Ministers will be appointed who care-----

Senator Jerry Buttimer: If in doubt, bring them back.

Senator Terry Leyden: There will be Ministers with the ability-----

Senator Jerry Buttimer: Labour will be back in with Fianna Fáil. The mudguard will be back-----

Senator Gerald Nash: Senator Buttimer-----

Senator Terry Leyden: -----and with experience who will care. That is the difference; they will care.

Senator Jerry Buttimer: The mudguard will be back.

Senator Terry Leyden: They will care about their portfolios.

An Leas-Chathaoirleach: Order, please.

Senator Kevin Humphreys: On a point of order, can the speaker be shown some respect instead of being heckled by the Leader? People with disabilities in this country are being treated dreadfully by Fine Gael.

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

Senator Kevin Humphreys: The speaker should be allowed to be heard.

Senator Jerry Buttimer: That is not a point of order.

An Leas-Chathaoirleach: No, it is not a point of order.

Senator Terry Leyden: I will say no more.

An Leas-Chathaoirleach: I do not want any more interruptions. Senator Leyden, without

interruption.

Senator Terry Leyden: Let the people judge next year. The opportunity will arise next year on judgment day. Judgment day is coming quicker than Senators think. The judgment will be very severe. What we saw on 29 November, on the day that Cuisle closed, was nothing. Two candidates from Fianna Fáil, one from Sinn Féin and one from the Green Party were elected. That was a good response to this Government. I am sure Senator Feighan, who has just arrived, is very proud of the fact that Cuisle has been closed.

An Leas-Chathaoirleach: The Senator is over time.

Senator Terry Leyden: I draw member's attention to the fact that my parish of Athleague, County Roscommon-----

Senator Jerry Buttimer: One item per member-----

Senator Terry Leyden: -----won an award in Co-operation Ireland's Pride of Place competition last Saturday. I am very proud of that. Runners up in the competition included Boyle, Creggs and Lisacul in north west Roscommon. I am from the parish of Athleague and live in the Fuerty-Castlecoote area. Our local councillors are Mr. Ivor Connaughton, who lives in Athleague, and Ms Orla Leyden, who lives in the other half of the parish. We are very proud of our little parish, which won the overall prize in the up to 300 residents category.

An Leas-Chathaoirleach: The Senator is more than a minute over time.

Senator Terry Leyden: The patrons of Co-operation Ireland are Queen Elizabeth of the UK and the President of Ireland, Michael D. Higgins. God knows the poor queen needs something to cheer her up at the moment.

Senator Frank Feighan: Long before I met Senator Leyden, I talked to a colleague of his who told me, "Terry Leyden should be a ward of court". Today, after 20 years, he has proven that point.

Senator Terry Leyden: That is terribly disparaging. I am surprised that the Leas-Chathaoirleach would allow that kind of abuse in the Chamber.

Senator Jerry Buttimer: Senator Leyden is a good man for hurling it.

Senator Terry Leyden: That is insulting-----

An Leas-Chathaoirleach: Senator Leyden was out of order himself earlier.

Senator Terry Leyden: Senator Feighan is insulting me because he does not like what is being said.

An Leas-Chathaoirleach: The Senator has said his piece. I want to hear Senator Feighan without interruption.

Senator Frank Feighan: I am only-----

Senator Terry Leyden: I did not insult Senator Feighan.

Senator Jerry Buttimer: The Senator does that every day.

An Leas-Chathaoirleach: I ask members to be quiet, please.

Senator Frank Feighan: I am only stating facts. I have been at many meetings on this issue. I was at the cross-party meeting along with Senator Leyden and the Minister of State. We genuinely want to do something to ensure that Cuisle is saved. It is a wonderful facility and one which I totally support. By coming in here today and using politics, Senator Leyden denigrates the cause. We will continue to work on this but there are certain issues that we cannot deal with. I was at that meeting with the Minister of State and everyone present agreed on the importance of the facility. We want to find a resolution. Senator Leyden was not as loud at that meeting as he is today-----

Senator Jerry Buttimer: Hear, hear.

Senator Terry Leyden: It was closed last Friday.

Senator Frank Feighan: -----because there were no cameras there. I will work with Senator Leyden and all interested parties to try to get this resolved. If the Government can do it, it will. However, there are issues that are outside the remit of the Government as the Senator will be aware.

Senator Terry Leyden: They are not unsolvable.

An Leas-Chathaoirleach: Please, Senator.

Senator Frank Feighan: I hope that the Minister of State can solve them.

Senator Terry Leyden: Senator Feighan has gone over to the Leitrim silo.

An Leas-Chathaoirleach: The Senator cannot have a private debate across the floor of the Chamber.

Senator Terry Leyden: He has left the constituency. He has abandoned-----

An Leas-Chathaoirleach: Senator Leyden is out of order.

Senator Terry Leyden: He abandoned the constituency.

An Leas-Chathaoirleach: The Senator is out of order.

Senator Terry Leyden: Senator Feighan was out of order as well but the Leas-Chathaoirleach did not reprimand him.

An Leas-Chathaoirleach: I will do so if necessary.

Senator Frank Feighan: I remind Senator Leyden-----

An Leas-Chathaoirleach: Through the Chair, please.

Senator Frank Feighan: -----that while he and many others stated that Roscommon Hospital would close, people would die and staff would lose their jobs, I stood in government with the Labour Party and delivered €20 million for the hospital, as well as an air ambulance service that has saved hundreds of lives. There are 500 people working in Roscommon Hospital. Senator Leyden is now giving out because the hospital is too busy and there is no car parking.

Senator Terry Leyden: The Senator closed the accident and emergency department.

Senator Frank Feighan: He has carried on with this complete nonsense for ten years and he has got away with it.

Senator Jerry Buttimer: Hear, hear.

Senator Frank Feighan: The proof is in the pudding. Senator Leyden, you will never be able to say that I ran away. To do so would be a cheap shot at me,-----

An Leas-Chathaoirleach: The Senator may not address other Senators directly.

Senator Frank Feighan: -----those in government and the hard-working nurses and doctors of Roscommon Hospital. I will leave it at that.

Senator Terry Leyden: Senator Feighan closed the accident and emergency department at the hospital.

Senator Frank Feighan: May I respond?

An Leas-Chathaoirleach: The Senators have made their points.

Senator Frank Feighan: Three consultants-----

An Leas-Chathaoirleach: Senator, please.

Senator Frank Feighan: May I finish?

An Leas-Chathaoirleach: No. The Senator is over time.

Senator Frank Feighan: Three consultants in Roscommon Hospital stated that the accident and emergency department was simply unsafe and I did what was right.

Senator Rónán Mullen: I congratulate the four winners of last weekend's by-elections and wish them well for their time in the Oireachtas. In the same way one would sympathise with a person who did not do the lotto on the weekend his or her favourite six numbers were picked out, we ought to sympathise with the person who would have won the fifth by-election that would have taken place in Cork North Central had the incumbent resigned and the Taoiseach moved the writ. I suspect the unknown winner would probably have been Senator Colm Burke, who is present. I am sure his day will come. I congratulate him on his performance.

I wish to support the amendment to the Order of Business in respect of St. Joseph's in Shankill, the largest dementia-only care home in Ireland. As Senators are aware, it employs more than 100 people and offers 60 residential places. In supporting the amendment, I appeal to the Leader to convey to his Government colleague, the Minister for Health, Deputy Harris, the deep sense of alarm being created by the absence of a resolution or agreed way forward with the National Treatment Purchase Fund. New admissions are being discontinued and there is to be day care only.

As I understand it, the St. John of God hospital group has been covering the financial shortfall from its resources and has spent €7 million covering debt since 2012, mainly due to upgrading facilities and increasing staff numbers to meet HIQA regulatory requirements. It is clear that St. Joseph's and the St. John of God Order have been making every effort to keep this vital

lifeline open. The value of the service provided by St. Joseph's and the respite it offers cannot be overestimated. It is fair to state we have known for some time that it has been facing a financial crisis which has been mainly attributed to the fact that the day care rate set by the HSE has not increased since 2006. It is very important that we focus on that issue in the Seanad and I ask the Leader to convey our concern to the Minister.

On the somewhat related issue of Cuisle, I have not been playing politics. I have no interest in giving an advantage to one political party over another. However, I must state I was deeply disappointed by the response of the Minister of State in the House last week because, as Senator Leyden pointed out, he washed his hands of the issue like Pontius Pilate. I used that phrase myself. The Minister of State stated Cuisle does great work but it was up to others to make the decision. That is not what being in power is about. Rather, it is about deciding the matter should be sorted out, recognising that one cannot intervene directly and others must make the decision but ensuring one's preference is conveyed to them. That ministerial clout can make all the difference. That has not been done in the case of Cuisle, which is very regrettable.

Senator Máire Devine: Today we found out from the Programme for International Student Assessment, PISA, which is published every three years, that Ireland ranked fourth out of the 36 OECD countries for the education of children. We should be proud of our education system in enabling our children to reach such high standards. Obviously, most of our education system is working well. When it comes to reading, science and mathematics, a group of 15 years olds were interviewed in 79 countries. When it comes to reading, science and mathematics we are out-performing other OECD countries. As I said, we ranked fourth out of 36.

Gender balance and gender attainment produced interesting results. Significantly, girls out-perform boys in reading but boys are holding their own in science and mathematics, where there are no significant differences. It gives us an insight into our youth, their interests and what we are doing. The low Internet use reported in Ireland is important. Students here use school books. It seems that they are less likely to report the negative feelings that heavy Internet users report. One thing that is somewhat concerning is the data on their well-being. Some three-fifths of teens said that they were not satisfied with their lives. That is above the overall average. They are significantly less satisfied than the average in OECD countries.

In July last year, the former Minister for Education and Skills, Deputy Bruton, launched the well-being policy statement and framework for practice in schools, clearly outlining the strong policies and actions that need to be in place to ensure students' sense of belonging. Perhaps the current Minister for Education and Skills could come to the House and update us on progress. Kudos goes to the students and parents. What we want mostly is for happy contented children to grow up into happy contented adults.

I want to give a shout out to the four new candidates, in particular my colleague, Deputy Mark Ward.

An Leas-Chathaoirleach: Thank you, Senator.

Senator Máire Devine: Finally, slán to Jim Gavin, the daring, decent and humble manager of Dublin with the unprecedented five-in-a-row that everyone here wholeheartedly supported when we congratulated them on their win. Farewell to Jim. I thank him for the unprecedented run of the Dubs. Up the Dubs.

Senator Pádraig Ó Céidigh: An gcuirfidh an Ceannaire ceist ar an Aire Iompair, Turasóí-

reachta agus Spóirt, an Teachta Ross, teacht isteach anseo le labhairt linn faoi chúrsaí an FAI? Tá cara mór liom, an Seanadóir O'Mahony agus mé féin ar an gcoiste atá ag plé leis seo agus faraor, nílimid ag fáil tada ar ais ón FAI. Tá sé an-tábhachtach go mbeadh a fhios ag pobal na hÉireann céard atá ag tarlú. Tá mé ag iarraidh ar an gCeannaire ceist a chur ar an Aire teacht isteach agus é a mhíniú dúinn agus a mhíniú dúinn cén baint atá ag Sport Ireland leis an rud seo ar fad. Tá suas le 400,000 duine óg as láthair Bhaile Átha Cliath agus láthair ceantair tuaithe na tíre seo atá ag iarraidh a bheith ag imirt spóirt agus sacar agus níl an féideartheacht sin acu mar níl siad ag fáil an t-airgead. Tá mise ag moladh go ndéanfaidh an tAire fógra anseo le rá cén chaoi a mbreathnaíonn sé le airgead a thabhairt a thabhairt do na grassroots atá ag imirt sacar ar fud na tíre, gan bacadh leis an rud seo atá amuigh in Abbotstown ag an FAI mar tá na páistí ag cailleadh amach go mór air seo. Is iad peil Ghaelach, iománaíocht agus rugbaí mo chuid chluichí.

The second thing is a small issue but it is a big issue for some people in Ireland. We have migrants in Ireland who have got a work visa but their spouses are not allowed to work in Ireland. They have to stay at home. I believe it is a big error in our system that spouses cannot work. In many cases migrants will be on small wages. We have 4.7% unemployment. These people are mad to work and want to work. I am calling on the Leader on my behalf and, I hope, on behalf of everyone here to ask the Minister to look into this. I call on the Leader to ask what can be done in respect of spouses of migrants getting a job and working for the period that the migrant has a visa.

Senator Ivana Bacik: I welcome the performance of my party's candidates in the by-election. It was a great pleasure for me to canvass with Councillor Duncan Smith in Dublin Fingal and Councillor Joanna Tuffy in Dublin Mid-West. They did extremely well in the by-elections. I commend them. I support the amendment proposed by Senators Humphreys and Nash to amend the Order of Business to bring in the Minister for Health. While we await the Leader's response, it is an important matter. I support Senator Ó Céidigh's point about spousal work permits. Several people have raised it with me over a couple of years. Last week the Taoiseach referred at the American Chamber of Commerce lunch to changing rules to enable spouses of US citizens who have a work permit to also work here. This is a more general issue and it is important that we address it. We are wasting a huge amount of talent among people who are not allowed to work.

I renew my request to the Leader for Government time to debate Committee Stage of our Labour Party Bill to enable residency and citizenship status to be given to children born in Ireland whose parents are not Irish citizens. We in Labour have been pushing this with the Migrant Rights Centre, the Immigrant Council of Ireland and others. It is very important that over Christmas, families have certainty about immigration and residency status, in particular when they have children who have been born and brought up here and who know no other home. At the very least they should be given clarity on their residency status. Our Bill would give them a pathway to citizenship. It is a really important Bill and I would like us to have Government time for that in the new year.

Senator Niall Ó Donnghaile: I want to acknowledge the agreement to two significant motions at Belfast City Council last night. The first called on that council to prepare research on a change in constitutional status and future planning, and the impact that might have on the economy and prosperity of the city. It is a very prudent and responsible decision that is planning for a future change adopted by a majority vote. It is an example to other institutions the length and breadth of the island not to retreat from this necessary debate on planning but to en-

gage positively and collaboratively. That has been the view across the Chamber here. Regardless of where we come down on the constitutional question and its nuances, we all agree that it is responsible, shows leadership and is necessary to engage in the preparations in an inclusive way. I reiterate my call for that discussion. The Seanad can act as a positive representative forum and place for that moving forward.

The second motion agreed at Belfast City Hall last night was in favour of writing to An Taoiseach and the British Secretary of State asking them to outline the conditions and scenario under which a referendum on our constitutional future can be called. Given the political climate we are in, if we are going to discuss this and plan appropriately we need to have all the necessary and relevant information to hand. At this crucial juncture in our political and societal life it would be positive if, immediately the Taoiseach could outline what his and the Government's understanding is of how those criteria can be met. The Leader said he hopes to have An Taoiseach in here before the end of the year. If that is the case, I hope he will have a response for Belfast City Council and will be able to inform us of it.

Senator Jerry Buttimer: I thank the 19 Members for their contributions to the Order of Business. I offer my congratulations to the four new Deputies elected to serve the people of Cork North-Central, Dublin Mid-West, Dublin Fingal and Wexford and wish them every success. Today is a very special day for them, their families and their political parties. Equally, I congratulate the Fine Gael candidates who finished second for first preference votes in each of the constituencies. In particular, I acknowledge the great campaign run by my colleague and friend, Senator Colm Burke, who increased the Fine Gael vote in Cork North-Central. As Senator Boyhan rightly said, it takes great courage to go before the people of the country in a vote. We congratulate all who stood for election although there can only be one victor. Unlike Senator Leyden, I very much look forward to judgment day as somebody who has gone before the people, been defeated and been successful. My mother always said the ballot box is a great leveller. It ill behoves Senator Leyden to throw personal slurs at Senator Feighan in here. He never ran away from anything and he is not that kind of person. I ask the Senator to withdraw that remark.

Senator Terry Leyden: I can tell the Leader the one thing he should get is for him to withdraw his insulting remark to me.

An Leas-Chathaoirleach: I am not going to allow anything further on that.

Senator Terry Leyden: That is not fair.

An Leas-Chathaoirleach: The Senators can talk to one another outside the Chamber.

Senator Terry Leyden: It takes two to tango.

An Leas-Chathaoirleach: Senator Leyden knows all about that. That is enough of it.

Senator Terry Leyden: About the tango?

Senator Jerry Buttimer: Senator Leyden is well able to give it and if he cannot take it, he should just walk away from here.

Senator Terry Leyden: I will not. I can give as good as I get.

An Leas-Chathaoirleach: Can we hear the response now without interruption?

Senator Jerry Buttimer: Today is International Day of Persons with Disabilities. The Minister of State, Deputy Finian McGrath, has published the second action plan of the comprehensive employment strategy. In addition, it is important to recognise the work we have been doing in terms of the ratification of the UN Convention on the Rights of Persons with Disabilities. Disability allowance and carers' allowance were increased in the budget of last year. I refer also to the disability inclusion strategy and additional money being put into budgets of respite care, along with the home carer credit being increased to €1,200, benefiting 80,000 families, along with other suites of measures being taken by the Government. It is important that the issue Senator Ardagh raised regarding wheelchair use be addressed. I would be happy to have the Minister of State come to the House regarding the matter.

Senator Ardagh also raised the issue of the free books scheme. As somebody who taught in a school that had a free books scheme and in one that was introducing it, I believe it is important that we expand that scheme. There has been significant Government investment in the free books scheme in recent years and it is an important initiative to which we can add.

Senator Boyhan made reference to two very important items of legislation. I am told the Bill aimed at regularising and updating the electoral register, the register of elections Bill, is coming to Cabinet in the next two weeks. The electoral commission Bill is also being progressed and I am told it is the intent of the Minister to have that in the next two weeks. Those timelines are not signed into gospel so we cannot say they are the effective dates.

Senator Michael McDowell: I hope they take a look at the way they have recently changed the register in Dublin, anyway. They do the whole street in alphabetical order of the people and not house by house.

An Leas-Chathaoirleach: We cannot go back to that, unfortunately.

Senator Jerry Buttimer: I think the point is made by Senator Boyhan and Senator McDowell that we need an electoral register that is fit for purpose. I do not believe we will ever get to that point.

Senator Michael McDowell: It is unusable at the moment.

Senator Jerry Buttimer: I think in many places it actually is. The evolving nature of human life now is such that I do not know if we will ever get the register right but we have to try to do it.

Senator Michael McDowell: At least categorise people by house.

Senator Jerry Buttimer: That is what I am saying. We must make it simple by categorising it street by street, estate by estate or house by house. That is a fair point.

The other point I would make is that people talk about the turnout in elections and by-elections. I canvassed extensively in Dublin Fingal and Cork North-Central and I was not surprised at the turnout. Many people took a view that we are going to be going again in a couple of months' time and why bother. It is a wrong attitude to take in my opinion, because many people fought so that we could have the right to vote and we should cherish that. I will support any way we can increase voter participation. I do not know, in response to Senator Boyhan, if it is all about just young people voting. Many elderly people did not vote this time. It would be interesting to look at the marked register. It is important to have that debate. There are differing

views about 16 year olds and 18 year olds voting. The Bill which I hope we will have before the general election recess and dissolution of the Dáil and Seanad will provide for teenagers to be able to pre-register to vote, which will help. I will support any initiative that will result in an increase in voter participation.

Senator Rose Conway-Walsh made reference to the two people who were killed in the attack last Friday in London, Jack Merritt and Saskia Jones. We pay tribute to them, and in particular the work they were doing on prisoner rehabilitation. It is important to recognise that any form of terrorism should be condemned out of hand. Their bravery and the bravery of other citizens on the day should be saluted.

I will not get into a debate with Senators Conway-Walsh and Gavan on the Order of Business, other than to say that the level of poverty is being reduced. I ask those Members to read the CSO figures produced in recent weeks. Senator Conway-Walsh went into a standard speech about Sinn Féin policies. I ask her to look at the employment levels in the country at the moment and various issues concerning the economy. Undoubtedly, we have challenges we will address. Senator Kelleher raised a very important issue concerning the family reunification Bill. I do not have a response for her but I would be happy to discuss the matter with her.

Senators Humphreys, Bacik, Nash and Mullen raised the issue of Saint Joseph's, which is a very important one. I must advise Senator Mullen that it is not the HSE that sets the rate, it is the National Treatment Purchase Fund. The rate has been increased by the NTPF. The Government has increased the funding to Saint Joseph's and I believe there has been positive engagement between the HSE and the chief executive of Saint Joseph's with a view to closing it. I listened to Senator Humphreys's comments about the unit's imminent closure in January. I do not want to divide the House on the proposal, in the same way as I did not last week on Cuisle. It is a very important matter. It is one the Minister spoke about in the Dáil this afternoon. I do not have an accurate transcript of what he said. I am committed to bringing the Minister to the House. The line Minister with responsibility for the issue is the Minister of State, Deputy Daly. Neither he nor the Minister for Health, Deputy Harris, is available at the time suggested by Senators, but if they are agreeable I will endeavour to have them in some time today or tomorrow. It is the prerogative of Members to call a vote but I am trying to work with them.

Members of the House raised the issue of Cuisle last week. To be fair to Senator Hopkins, I should put on the record that she was the first Member of this House to raise the matter. Others followed suit. I have never divided the House on the matter. I avoided a vote last week on bringing the Minister to the House. It is a matter for the Irish Wheelchair Association, which has taken a decision to close the centre. Senator Mullen has made the pertinent point that some direction should be given to encourage and support the opening of the centre by the Irish Wheelchair Association. His contribution was far more helpful than the blatant politicisation of the issue by Senator Leyden. The points Senator Mullen made are ones on which we should perhaps reflect and bring back to the Minister, the HSE and the Irish Wheelchair Association because it is about ensuring that those service users who want to be able to avail of the service and their families can have such a service. I will be happy to go back to the Minister to inform him of what was said.

Senator Terry Leyden: If Fianna Fáil was in government it would not close. That is for sure.

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An Leas-Chathaoirleach: I thank Senator Leyden.

Senator Kevin Humphreys: Fianna Fáil would just bankrupt the country.

An Leas-Chathaoirleach: The Leader is responding.

Senator Jerry Buttimer: I am doing my very best.

An Leas-Chathaoirleach: Senator Buttimer does not have to get into an argument.

Senator Jerry Buttimer: I am doing my very best not to be political but Senator Leyden should reflect upon his comments.

An Leas-Chathaoirleach: We will not go back on that now.

Senator Jerry Buttimer: He should reflect on what Fianna Fáil has done to this country for a generation.

Senator Terry Leyden: Senator Buttimer must be joking.

Senator Jerry Buttimer: Would Senator Leyden like to have a debate on the Government-----

An Leas-Chathaoirleach: No. That is a separate matter.

Senator Terry Leyden: I would love to have a debate with Senator Buttimer.

Senator Jerry Buttimer: -----he supported?

An Leas-Chathaoirleach: Senator Buttimer should speak through the Chair.

Senator Jerry Buttimer: Senator O'Mahony-----

Senator Terry Leyden: Senator Buttimer has some neck.

Senator Jerry Buttimer: -----and Senator Ó Céidigh raised the issue of the FAI.

Senator Terry Leyden: They are out to get me.

Senator Jerry Buttimer: I assure Senator Leyden that it is not about getting a headline. It is about people.

Senator Terry Leyden: I did not say that. I said they are out to get me.

Senator Jerry Buttimer: The issue raised is the FAI and the importance of good governance in the FAI and having the right person appointed. Senator O'Mahony was very accurate in what he said regarding other organisations that appointed the right chief executive, who turned those organisations around. All of us sports people are supportive of the FAI and do not want any repercussions for the ordinary members and players who go about their business every week, trying to keep the game afloat at grassroots level. Issues must be addressed there and I would be happy for the Minister to come to the House regarding the matter.

Senator Gallagher raised the positive story of the great success of the Magheracloone Mitchells club in County Monaghan, which won the intermediate Ulster football championship last weekend. We congratulate them in light of the adversity they have faced in their own com-

munity.

Senator McDowell raised the important matter of casinos and gaming licences from 1956 to 1988. We all agree there is a need to amend those licences in order that this blight on our society can be removed. I would be happy to work with the Senator on that matter because it needs to be addressed, not only in our capital but in Cork city and other cities as well. There is huge folly involved, and in seasonal coastal areas people can apply for three-month licences and every machine can have a gaming licence which costs about €450. The matter needs to be addressed because these licences are a blight on our society and are leading to gambling addictions and other societal problems. I support the Senator on that issue.

Senator Reilly raised the issue of school places in his area around Skerries. I would be happy to have a debate with the Minister on the matter.

Senator Gavan raised asked about an equality debate, which I would be happy to have. We are always debating equality because it comes into everything we do as a Government through legislation and policies. We have increased the minimum wage. We never cut the minimum wage, unlike other parties in government. The current Fine Gael Government and the previous Fine Gael-Labour Party Government increased the minimum wage.

Senator Paul Gavan: The Minister has just frozen it.

Senator Jerry Buttimer: Education and fee-paying schools were raised as well. As a schoolteacher for 16-odd years, I am happy to have a debate on education. Senator Devine referenced the report published today which showed that our school literacy and mathematics scores are improving. I would be happy to have a debate on the matter. As Senator Colm Burke noted, we are spending a record €21.2 billion on social protection to assist people, lift them out of poverty and give them a pathway into work within our communities and society.

Senator Colm Burke also referred to the Defence Forces. I support his proposal regarding a specific commission to deal with pay for members of the Defence Forces and the Naval Service. Senator McFadden has made that specific request before. Many people in this House would support Senator Colm Burke's comments regarding setting up a new structure.

Senator Nash raised the issue of school placements in Drogheda and east Meath. This issue was addressed by the former Minister for Education and Skills, Deputy Bruton, in his emerging school needs programme. We need to look at this, as Senator Nash said, because of the huge increase in population in those areas. The Senator also made a pertinent point about the flat rate review by Revenue, the Tara mines workers and legitimate expenses. I would be happy to have a debate on that.

I have already addressed the issue raised by Senator Devine. We as a society need to have a real debate on the well-being issue she raised as well. I would be happy to have that debate.

I congratulate and thank Jim Gavin for his tenure as manager of the Dublin football team. He is someone we should all look up to as a role model. He never lost his cool or his way, and never came across as being excessive in any way. I congratulate and thank him for his dedication and I thank his family for the sacrifices they made. I wish the new Dublin football manager well, though we cannot wish them complete success.

Senators Ó Céidigh and Bacik referred to migrants, work visas and the spouse or partner

visa. We need to have a real look at that because those issues need to be addressed.

I did not see the motions to which Senator Ó Donnghaile referred in Belfast City Council but I would be happy to have a debate on the matters he raised in the future.

Senator Kevin Humphreys: I ask the Leader to yield for a point of clarification. He said he would endeavour to bring the Minister to the House in the morning. If he is doing his best in that regard, I will not push to divide the House.

Senator Jerry Buttimer: I will check my email to see whether I received a response. We were endeavouring to have the Minister come to the House. As I said, the Minister is not available. He has a commitment now. I am not trying to obfuscate in terms of issues Senator Humphreys has discussed. I try to work with Members. I will endeavour to have the Minister come to the House tomorrow or Thursday, if not tonight. If the Senator could work with me, rather than divide the House now, I will endeavour to have the Minister come to the House today or tomorrow. I will work with him on that.

An Leas-Chathaoirleach: Senator Humphreys has proposed an amendment to the Order of Business: “That a debate with the Minister for Health on services at Saint Joseph’s Shankill, County Dublin, be taken before No. 1.” Is the amendment being pressed?

Senator Kevin Humphreys: In light of what the Leader said, I will endeavour to work with him to have the Minister come into the House and will withdraw the amendment to the Order of Business.

Senator Jerry Buttimer: I thank Senator Humphreys for withdrawing his amendment. To be fair, I will work with him to ensure we have an answer for him in terms of either a meeting or a debate on the matter. I will talk to him about that.

Order of Business agreed to.

Horse and Greyhound Racing Fund Regulations 2019: Motion

Senator Jerry Buttimer: I move:

That Seanad Éireann approves the following Regulations in draft:

Horse and Greyhound Racing Fund Regulations 2019,

copies of which were laid in draft form before Seanad Éireann on 15th November, 2019.

Question put and agreed to.

Finance (Tax Appeals and Prospectus Regulation) Bill 2019: Committee and Remaining Stages

Acting Chairman (Senator Gerry Horkan): I welcome the Minister of State, Deputy D’Arcy, back to the House.

Sections 1 to 25, inclusive, agreed to.

Senator Kieran O'Donnell: I am a slight bit behind. I wanted to speak specifically to section 18 on the living city initiative. I realise we have agreed it. Could I be indulged?

Acting Chairman (Senator Gerry Horkan): The Senator may not be indulged but I might let him say something when we are finished. This is the Finance (Tax Appeals and Prospectus Regulation) Bill 2019.

Senator Kieran O'Donnell: My apologies. What I was just told was both good news and bad news. The bad news is that I was not aware which Bill we were on but the good news is that I will be able to bring up what I need to when considering the Finance Bill 2019 next. I thank the Chairman for his indulgence.

Acting Chairman (Senator Gerry Horkan): It is good that the Senator is now with us in both body and spirit. I thank him very much.

Title agreed to.

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

Finance Bill 2019: Committee Stage

Sections 1 to 8, inclusive, agreed to.

SECTION 9

Question proposed: "That section 9 stand part of the Bill."

Senator Alice-Mary Higgins: Section 9 deals with the special assignee relief programme, SARP, an income tax relief for some of the highest earners in the State. It is a relief on salaries between €75,000 and €1 million. We know for a fact that some of those who benefit from the scheme have salaries of over €3 million. I recognise that they only get the special tax relief on that part of their salary between €75,000 and €1 million. However, we have to look to the conversation which many people across the world are having around the pooling of extremely high levels of income equality at the very top. We are not talking about people who have two families or who are on €100,000. We are talking about people on salaries of between €1 million and €3 million. When 50% of people in the country earn incomes well under €30,000, how can we justify massive amounts of tax relief for those at the top?

There has been a conversation globally as to whether we need a higher level of tax or a third band. The conversation from the Government is always that we are focusing too much on these higher earners and we cannot look at a wealth or a higher band of tax. People are not aware that it is not simply that we are not putting an extra level of tax on the very highest earners in the State but we are actually giving them tax relief. This means that somebody earning between €40,000 and €60,000 will pay a higher portion of their wages in tax than somebody on €600,000. This is simply not acceptable.

The defence given is that this is basically to attract jobs to Ireland. The fact is that those who

are in a position to create jobs and are high earners are provisionally already benefiting from our corporate tax rate, which has continued support across the field. We have corporate tax rates to attract corporations. Tax reliefs like the knowledge box need to be reviewed to ensure they are more efficient and effective. For example, if we are giving major international corporations tax reliefs, surely, we should not also be giving tax reliefs to every one of their executives. The public would be shocked and appalled if they realised how this was going.

I have an example of one individual who would pay €111,000 less in tax next year than a PAYE worker who was earning the same salary. That is some PAYE worker. However, there is a real issue of equity involved.

IMF research over 30 years in over 100 countries has consistently shown that when one increases the incomes of the top 10%, national GDP falls. When one increases the incomes of the bottom 10% in society, however, then the economy does better. That same IMF report states the trickle-down effect does not work.

I hope the Minister of State will reconsider section 9. If not, will he clarify what evidence there is for a job dividend from each person who is benefiting from the scheme and how we can be sure that?

Senator Rose Conway-Walsh: Sinn Féin opposes this measure because of its cost. In 2010, SARP cost the taxpayer €28.1 million.

If its cost continues to increase at the same rate of 55% between 2017 and 2020, it could be as much as €105 million next year. Under the scheme, an employee earning a salary of €1.1 million will be able to write off 30% of his or her income in excess of €75,000, which would reduce income tax liability by €123,000. There is an innate unfairness in a system, which results in such employees paying a rate of 28% on income above the standard rate band while most other workers pay 40%. The Government has provided only €5 million for lone parents supports and €18 million to increase medical card thresholds and alleviate the waiting lists for home help, for which we costed an allocation of €59 million into our alternative budget, yet it is likely to give away €105 million under this scheme, of which 1,084 employees availed in 2017. This is a transfer of wealth from people who can least afford it to people who can afford it. On that basis, we are strongly opposed to the section.

Senator Michael McDowell: Will the Minister of State clarify whether an Irish citizen who has been resident abroad and is posted back to Ireland by his or her employer is entitled to this relief?

Minister of State at the Department of Finance (Deputy Michael D'Arcy): Yes, such an employee is eligible for the scheme. It is important to understand that the development agencies working on behalf of Ireland are operating in a competitive sector. It is easy for the Senator to offer a figure of €105 million but there no structure on which that figure is based.

Senator Rose Conway-Walsh: Will the Minister of State clarify the figure?

Deputy Michael D'Arcy: I am doing so. In 2017, which is the last year for which we have a final figure, the cost of the SARP scheme was €28.1 million. The Senator's extrapolating of numbers upwards is a concoction.

Senator Rose Conway-Walsh: What does the Minister of State estimate the total to be in

2020?

Deputy Michael D’Arcy: I am not sure how the Senator’s figure of €105 million was constructed. I know she does not like dealing with actual numbers.

Senator Rose Conway-Walsh: I do, which is why I want to know the number for 2020.

Deputy Michael D’Arcy: We do not have the figures for 2018 or this year. I am giving the Senator the figures I have.

Senator Rose Conway-Walsh: The Minister of State is not giving us the figures.

Deputy Michael D’Arcy: We do not have the figures for last year or this year.

Senator Rose Conway-Walsh: How can the Minister of State ridicule the figure I gave when he does not have the data himself?

Deputy Michael D’Arcy: I said that the Senator concocted a figure for 2020.

Senator Rose Conway-Walsh: I did not. I indicated the basis on which I calculated the figure for next year.

Deputy Michael D’Arcy: The Senator is plucking a number from the sky so that she can pretend that this scheme is a terrible thing. She referred to specific allocations for healthcare and social protection but she did not mention the overall healthcare allocation of €19 billion for 2020, which is the highest amount ever. She did not refer to the €20 billion budget for social protection. The Senator gave a concocted figure of €105 million for SARP without saying where it came from. The figures I am giving come from the Indecon report. It showed that the companies that availed of SARP for their employees in 2017 paid €2.5 billion in corporation tax. If we want to pay our bills, fund the health service and retain the social protection budget, we have to bring in the moneys that enable us to do so. These companies employed more than 155,000 people directly and, for every employee, another is employed indirectly as part of the supply chain. They also paid €1.9 billion in PAYE taxes. The cost to the State of the SARP scheme of which they availed was €28 million in 2017, set against the €4.4 billion paid directly by those companies to the Exchequer, which makes up some of our public service expenditure budget. I would love to say that we do not need this programme but the reality is that the countries with which we are in competition for foreign direct investment have their own SARP schemes. The Senator will not want to hear that and she may not agree with what I am saying, but this is how it works in the real world in which we have to get money in if we are to pay our bills.

Senator Rose Conway-Walsh: It worries me that the Minister of State does not know the figures after 2017 and cannot give a projected figure for 2020. A payment of €2.5 billion in corporation tax suggests that these are wealthy companies. The question is why they do not pay their employees sufficiently to incentivise them to come to Ireland. Why should the taxpayers of this country pay them to do so? I do not see why this transfer of wealth should be facilitated.

Senator Alice-Mary Higgins: It is concerning that we do not have the 2018 figure when we are considering the budget for 2020. When it comes to smaller-ticket measures that come under the social protection budget, for example, we have to look at their exact impact and prove their benefit up, down and sideways if we want to see them extended or improved slightly. It is a cause for concern that a scheme that cost €28 million in 2017 - a not insignificant sum - is

being continued into next year without there being any information on what it cost in 2018 and 2019. Any measure that is costing taxpayers almost €30 million should be reviewed and we need to know what is happening with it.

The figure Senator Conway-Walsh gave is an extrapolation of a percentile increase and was offered in the absence of actual numbers being given, which they should be in respect of any such decision. The Minister of State makes the case for our corporation tax regime and the measures we have in place to attract corporations, referring to the €2.5 billion in corporation tax paid by the companies in question. However, it is a broad brushstroke to point to the taxes raised and the numbers employed and then make a causal link between that contribution and what amounts to a sweet set of deals for executives. Let us bear in mind that tax relief is tax expenditure. Is it the Minister of State's view that if the State did not give executives a massive subsidy from general taxation to encourage them to come to Ireland, then all of these companies would leave? Is that how fragile our relationship with them is? Surely the focus should be on investing in ecosystem supports and structures for foreign direct investment, which is not just about corporation tax but all the other aspects, as well. These are important questions.

I have two final questions for the Minister of State. Does he agree that this scheme is inconsistent with the principle of progressive taxation and the sustainable development goals? It is difficult to justify a measure that, instead of benefiting the bottom 40% of taxpayers, clearly benefits the top 10%, as shown by the international research to which I referred. It is not enough to say that we want to encourage corporations to invest in Ireland. Where tax relief deals are available, people will avail of them. The Minister of State needs a much stronger evidence base for claiming a link between these measures and encouraging foreign direct investment. Can he give three or four examples to illustrate his claim?

Senator Kieran O'Donnell: This is a healthy debate, but the context is that we are operating globally and we must compete at international level. It is all about intellectual property and people coming back here and bringing experience with them. In many of the multinational companies that have thrived here, and continue to thrive, the top management is now Irish. One of the reasons they have stayed here and expanded is because they are Irish. I would like more of such people to come back here if they will create extra jobs. The continuing issue is that we must compete on the global stage and are trying to strike a balance. In the case of the lower-paid, we are continuously examining the minimum wage and the tax rates. It is not a perfect world-----

Senator Alice-Mary Higgins: Apparently, we could not afford an increase in the minimum wage this year.

Senator Kieran O'Donnell: As I have seen on many occasions, we have kept multinational companies in Ireland because the top managers are based here and many of them are Irish. An expansion has taken place. There must be an element of looking at the overall market in which we are competing and assessing whether having this range of measures ensures that we retain jobs and create more of them in a specific area. On balance, I believe it does.

Deputy Michael D'Arcy: To put it in context, approximately 270,000 people are employed by foreign direct investment companies. For each one of those jobs there is another job that is linked to those companies. These are extremely valuable companies for Irish employment. The conversations in political chambers can be very pure and the Senators are having a very pure discussion about tax. I would love everybody to be on the same level, but if we are

trying to attract a company to this country that will employ hundreds or thousands of people, the chief executive could say: “There is no problem getting paid by my company but your levels of income tax are penal for high earners so I will go somewhere else. However, it was good talking to you.”. That is what the Senators are saying.

What we must do is ensure that we get jobs into this country and keep people employed. For executives coming here with a company from another jurisdiction the issue is not how much they are paid, but how much they are taxed at the highest level. They can choose not to come because they can go somewhere else where they can have a much lower tax rate than the rate in Ireland. These company executives come here and bring their managerial skills and abilities, and they are here for a number of years. Some of them leave and some of them stay, but those skills are passed on to Irish people who do not have the opportunity to avail of the SARP. The benefit of the SARP is that knowledge, skill sets and abilities are brought in from abroad and are retained in Ireland. There is a very successful structure here in Ireland and this is part of it. Have the Senators who disagree with this read the Indecon report?

Acting Chairman (Senator Gerry Horkan): The Senators will have an opportunity to speak again.

Deputy Michael D’Arcy: Have they read it?

Senator Rose Conway-Walsh: Yes.

Deputy Michael D’Arcy: The report says that this is good value. It is money well spent.

Senator Alice-Mary Higgins: The Minister of State is editorialising.

Deputy Michael D’Arcy: I agree with it. We will not be changing our view on this at all. The issue here is the amount of tax to be paid. One of the figures I have is very important. The top 1.5% of income earners in the State pay 25% of all income tax and USC. Other figures can show the Senators the position as well. These are the same Senators who disagree with the Taoiseach’s wish to increase the threshold at which the higher tax rate is paid for the average earner. We were criticised for bringing that proposal forward. Unfortunately, nothing is right for the Senators. This is a good programme with huge value for the State. We will not change it.

Acting Chairman (Senator Gerry Horkan): Before calling Senators Conway-Walsh and Higgins I wish to point out that at least four sections of the Bill are opposed and there are 22 amendments, but we have not yet reached amendment No. 1. It is a very useful debate that has lasted 25 minutes, but if we do this on all the amendments we will be here until 1 a.m. tomorrow.

Senator Alice-Mary Higgins: You are theorising that this will not help.

Acting Chairman (Senator Gerry Horkan): I will let you back in, Senator. Members should try not to be repetitive. I am not saying anybody was, just that they should try not to be repetitive.

Senator Rose Conway-Walsh: I will not be repetitive. It is clear that the Minister of State will not turn on this. We are here to represent people. In fact, the answer the Government got in the by-elections should have made it re-examine things like this and tax fairness. People have nothing left in their pockets because of the tax they are paying and we should not be protecting the 31 people who had incomes of more than €1 million in 2017.

Senator Alice-Mary Higgins: With respect, I ask the Minister of State not to editorialise in sweeping generalisations on what he thinks we think and what he believes our beliefs are. We have many specific amendments-----

Deputy Michael D'Arcy: I am just responding to the Senators.

Senator Alice-Mary Higgins: I am saying the debate will move better if we do not have to go back and forth on those matters. I do not believe any of us is interested in talking about what Sinn Féin and Fine Gael like. Let us focus on the proposals at hand.

If I was a shareholder in a company in which the CEO was making decisions on where to locate the company based on his or her salary and income tax, I would question the value of that company. It is extraordinarily poor practice for a CEO or senior executive to decide to move the company to the Netherlands, Ireland or Lithuania based a cushier cash deal for the CEO and his or her top five or six executives. If that is the decision making, there are big questions. It is shaky ground. On Irish people who are returning, one must question the patriotism of people earning €3 million who will not locate or contribute to the country to which they are supposed to be so attached unless they get a hefty tax relief. They pay less tax than somebody on €40,000 for the section of their income between €75,000 and €1 million. It is an important issue and there are key questions.

With regard to the level of the tax, the Minister of State should not try to suggest that the Government is in wonderful solidarity with those on €40,000 when the tax relief we are discussing relates to income between €75,000 and €1 million. The public must be clear that it is €75,000 to €1 million. We probably should be able to lower the threshold if there was a higher rate of tax, but that is not what this is about. There are later amendments which refer to that.

There will be a point of review on this. The extraordinary hollowing out of our income tax base that is going to the very wealthy in Ireland is galling. It is not a gesture of solidarity with those on €40,000 because it is the people on €40,000 who are paying 40% on all of their income above the threshold who are paying for this. It is not a zero-sum game; it is tax expenditure. People on €40,000, €50,000 and €60,000 are paying for those on €1 million under this provision. The case for it is poorly made. Perhaps there will be something further in the future as I am sure we will discuss it again later.

Deputy Michael D'Arcy: I am not sure that the Senator understands the concept of hollowing out the tax base because we have done the opposite. We have broadened the tax base since entering Government in 2011. I am not editorialising under any circumstances.

Senator Alice-Mary Higgins: The Government is hollowing out the income taken from higher earners.

Deputy Michael D'Arcy: I am saying that we will lose these jobs. This is part of the armoury that is required, although not all of it. The Senator questioned somebody's patriotism if they have left and returned. That is not all of it.

Senator Alice-Mary Higgins: Again, the Minister of State-----

Deputy Michael D'Arcy: The Senator did question it.

Senator Alice-Mary Higgins: I did not question somebody's patriotism if they went away and came back. I must call on the Acting Chairman.

Acting Chairman (Senator Gerry Horkan): I accept-----

Senator Alice-Mary Higgins: That is not what I said. I referred to where somebody needs a tax relief in order to return.

Deputy Michael D'Arcy: It is exactly what the Senator said.

Acting Chairman (Senator Gerry Horkan): It is actually what the Senator said.

Senator Alice-Mary Higgins: It is actually not what I said.

Acting Chairman (Senator Gerry Horkan): It is what you said. You may not have meant it but I will let you come back in to clarify what you said.

Senator Alice-Mary Higgins: I do not want to keep going on this. I would just like it to be clarified.

Acting Chairman (Senator Gerry Horkan): Let the Minister of State respond.

Deputy Michael D'Arcy: Everything we are doing is to expand the tax base we have. We have brought the corporate tax yield from €4.5 billion to €10 billion. We have brought the income tax take from €11 billion to €22 billion, and that is why we are able to spend more on health, social protection, education and other such services. This is part of our successful armoury to get companies from outside Ireland to come here. It is so we can have the jobs with a salary of €40,000. When we get them in, success involves moving them up the value chain. One keeps moving them up the value chain so a salary of €40,000 becomes a salary of €45,000, and then €50,000. That is why we have 2.32 million people at work in this State.

I accept that when people are at work, Sinn Féin becomes irrelevant. It may have had success in a by-election.

Senator Rose Conway-Walsh: I would have said Fine Gael was pretty irrelevant in the recent by-election.

Acting Chairman (Senator Gerry Horkan): Let us stick to section 9, if we can, on every side.

Deputy Michael D'Arcy: Well done to Sinn Féin. If the Senator wants to bring in the politics of elections, that is fine.

Senator Rose Conway-Walsh: The Minister of State did.

Deputy Michael D'Arcy: The Senator started it, if she remembers. The Senator brought in the politics of elections.

Senator Máire Devine: Nyah nyah nyah nyah nyah.

Acting Chairman (Senator Gerry Horkan): We are not in pantomime season yet.

Deputy Michael D'Arcy: We will not bring up the Acting Chairman's local elections. Half his county council seats-----

Acting Chairman (Senator Gerry Horkan): The Minister is goading his audience as much as it is goading him now.

Deputy Michael D'Arcy: I guess I am doing a bit of goading. I apologise.

Acting Chairman (Senator Gerry Horkan): We have a long night ahead of us.

Senator Alice-Mary Higgins: To clarify, I did not question people who leave and come back. I am delighted that people who leave come back. I questioned the narrative that they would come back only if offered a tax relief.

Acting Chairman (Senator Gerry Horkan): The Senator has made that point and clarified it. I thank her.

Senator Alice-Mary Higgins: Let us be very clear on it.

Senator Michael McDowell: A good and long-standing family friend of mine, Mr. Garret FitzGerald, was once alleged to have asked, "That is all right in practice but does it work out in theory?" It is not true that he was the first to have said it. If one googles the phrase, one will find out it was said about 30 years before Mr. FitzGerald was alleged to have said it. It reminds me, however, of one proposition. I agree with Senator Kieran O'Donnell that when it comes to taxation, one cannot be a slave to theory; one must be a slave to what is practicable. It is not a matter of patriotism. Senator Higgins may talk about patriotism and whether people who stay outside the country are patriotic.

Senator Alice-Mary Higgins: That topic was introduced by the Minister of State.

Senator Michael McDowell: I know but I am just referring to the view that people who stay outside the country might not return because of an absence of patriotism. It does not really matter to me very much what the internal thought processes of those people are; it is about the practical effect on the Exchequer in the long run. That is the crucial question. When I say that, I am not being cynical at all. For instance, we had a very close shave very recently with the proposal to change the 183-day residency qualification to allow very rich people to fling a few euro at this, that or the other by way of philanthropy and get a further exemption in terms of the number of days for which they could stay. That was very nearly enacted. The then Minister for Finance seemed to be favourably disposed towards it in an Oireachtas committee considering a Finance Bill.

Like Senator Higgins, I strongly believe we should have a fairer tax system. I believe equally strongly that we should not have a system that distinguishes between Irish citizens radically depending on their financial circumstances or what they have done in the past while. My theory is that an Irish citizen should be liable to some basic tax in Ireland, no matter where he or she lives in the world, if he or she has qualifying assets in Ireland or qualifying interests in assets in Ireland. Thus, one could not just emigrate to a tax haven and pay nothing in tax to the Irish Exchequer. That is my strong view.

Acting Chairman (Senator Gerry Horkan): We are on section 9. I am indulging the Senator for now.

Senator Michael McDowell: We are talking about residency.

I ask Senator Higgins to take on board the point that Mr. Charlie McCreevy, when Minister for Finance, cut the rate of capital gains tax from 40% to 20%. By doing so, even at that stage, when tax rates were not as high as they were after the economic crisis, he quintupled the yield from the tax. One could say, if one wanted to be theoretical or ideological about it, that those

making a very large capital gain should pay just as much as their secretaries or personal assistants on relatively modest salaries, or at least as much as they do in terms of marginal earnings since they are better off in that financial year on that basis. The bottom line, however, is that the Exchequer yield went up by 500%. All of the additional money was available to be spent by way of redistribution. Having said what I said about citizens and not escaping completely the obligations of citizenship by becoming non-resident for tax purposes, I believe the yardstick we should apply to questions such as this is not an ideological one but a pragmatic one. Forgetting about patriotism, if it is the judgment of those who study these things minutely and interact with foreign investors in Ireland that the total yield to the Irish Exchequer will increase by offering the kind of relief in question. Anybody who suggests it is immoral or unprincipled should ask what might be done to get the money from the particular company in a way that would finance extra hours for home helps and the like at the end of the year. That is the bottom line.

Senator Alice-Mary Higgins: This is not a discussion on ideology, wishful thinking and so forth. There is ideology at play across the House, and there is also pragmatism at play on both sides. They entail very different perspectives and we simply disagree but the fact is that it is still the view that a trickle-down effect from investing in the highest earners, for example, will somehow lead to a general effect. That still seems to be the principle behind this logic and these measures.

There is evidence backing up my point. It is not theory or what I would like to be the case. I have not heard a rebuttal of the evidence, which I have mentioned when considering every Finance Bill for three or four years. I am referring to the evidence of the IMF, which studies this in great detail. Its 30-year study, which came out in 2017, found that, of over 100 countries-----

Senator Michael McDowell: It is not true to-----

Senator Alice-Mary Higgins: No, leave that aside. What I am speaking to-----

Acting Chairman (Senator Gerry Horkan): Senator Higgins has made that point two or three times already.

Senator Alice-Mary Higgins: Excuse me, but I was told I was talking about theory and that others were speaking about pragmatism. I would like to point out-----

Acting Chairman (Senator Gerry Horkan): But the Senator made that point already.

Senator Alice-Mary Higgins: On Report Stage, we may hear an answer from the Minister of State in respect of the IMF analysis of real play-out in real economies in 100 countries over 30 years. It suggests that when the income share of the top 10% is increased, it damages GDP. When the income of the bottom 10% is increased, the effect on the economy is greater.

Acting Chairman (Senator Gerry Horkan): The Senator made that point. She has made it very well but does not need to make it again.

Senator Alice-Mary Higgins: I need to make it in the sense of indicating I am not talking theory while others talk pragmatism. I am talking evidence and I would like to hear answers in terms of evidence. We can move on but perhaps we can come back to this point on Report Stage.

Senator Kieran O'Donnell: This is probably what we should be doing. We probably do not have enough time to have a debate at this level.

Acting Chairman (Senator Gerry Horkan): We have had 45 minutes.

Senator Kieran O'Donnell: I am just making a general point. The Senator's point is out of context. This is not about creating a rate within Ireland; it is about creating something that will bring extra jobs into the Irish economy. It is about creating something that would bring additional jobs into the economy. It is a particular measure. It may not even be a long-term measure. I disagree with Senator Higgins's general point about the trickle-down effect in the context of what we are looking at here. It is not an ideological issue; it is about looking at the world landscape and the fact that we have a large multinational sector and asking what we can do to ensure that we retain what we have, encourage people to come back or encourage others to come who have a relevant area of expertise. Over time, I would like us to develop in two areas. The first is our own multinational sector that goes abroad. That is evident with some companies in Limerick. I do not want to mention the names, but many of them are now becoming the modern multinationals. Second, I want entrepreneurs to come to Ireland. We are seeing it in the university sector. The key point is that it is about finding practical measures that will benefit Ireland Inc, provide extra jobs and bring in additional taxes. The issue Senator Higgins is talking about should be seen in the round, not specifically in terms of the impact in one area.

Deputy Michael D'Arcy: I apologise for goading Senators. Sometimes it is not difficult.

Senator Rose Conway-Walsh: What did the Minister of State say?

Deputy Michael D'Arcy: I said sometimes it is not difficult to goad Senators.

Acting Chairman (Senator Gerry Horkan): Would the Minister of State stop? He is doing it again.

Deputy Michael D'Arcy: On whether it relates to ideology or practicality, it is due to practicality. We need €62 billion to run the State every year. That is the level of expenditure we have. We have never spent more under current expenditure and we have to get the money in. If ideology prevents us getting money in, then we have to move beyond the ideology. SARP is a practical relief. It is what gives IDA executives and Enterprise Ireland companies the opportunity to bring executives here and participate in the economy by working and passing on their skill sets to Irish people. The relief is restricted. I am not sure that every Senator who has raised SARP has read the Indecon report, because the report is clear.

Question put:

The Committee divided: Tá, 16; Níl, 7.	
Tá	Níl
Burke, Colm.	Conway-Walsh, Rose.
Burke, Paddy.	Devine, Máire.
Buttimer, Jerry.	Gavan, Paul.
Byrne, Maria.	Higgins, Alice-Mary.
Coffey, Paudie.	Humphreys, Kevin.
Conway, Martin.	Mac Lochlainn, Pádraig.
Lawlor, Anthony.	Warfield, Fintan.
Lombard, Tim.	
Marshall, Ian.	

McDowell, Michael.	
McFadden, Gabrielle.	
Ó Céidigh, Pádraig.	
O'Donnell, Kieran.	
O'Donnell, Marie-Louise.	
O'Mahony, John.	
Reilly, James.	

Tellers: Tá, Senators Gabrielle McFadden and John O'Mahony; Níl, Senators Rose Conway-Walsh and Máire Devine.

Question declared carried.

NEW SECTION

Senator Alice-Mary Higgins: I move recommendation No. 1:

In page 11, between lines 19 and 20, to insert the following:

“Report on special assignee relief programme

10. Within 6 months of the passing of this Act, the Minister shall produce a report on special assignee relief programme to include a quantification of revenue foregone.”.

The recommendation simply asks that within six months of the passing of the Act, the Minister might produce a report on the special assignee relief programme, to include a quantification of revenue forgone. The Minister of State mentioned in his general response on the section that we have figures for 2017 but we do not have any figures for 2018 in terms of the cost of the scheme. Given that the cost of the scheme was more than €28 million in 2017, which is substantial expenditure from the revenue base of the State, it is costly. It behoves us, as we move the scheme forward into 2020, that we would know how much it cost us in 2018. We should also establish quite quickly how much the scheme cost us in 2019. We should not operate with three year old figures regarding a scheme of this cost.

Deputy Michael D'Arcy: There is an exemption from income tax on any gain realised on the exercise of a qualifying share option under the key employee engagement programme, KEEP, scheme.

Acting Chairman (Senator Gerry Horkan): I note we are on recommendation No. 1.

Senator Alice-Mary Higgins: This is recommendation No. 1. We are still on SARP. We have not got to the KEEP programme yet.

Deputy Michael D'Arcy: I have discussed SARP earlier.

Acting Chairman (Senator Gerry Horkan): So the Minister of State does not agree with Senator Higgins's recommendation.

Senator Alice-Mary Higgins: When does the Minister of State anticipate that we might get the 2018 figures?

Deputy Michael D’Arcy: The figures tend to be two years behind. We will the figures for 2018 next year in 2020. That is the way it works with Revenue. We do not do the figures. Revenue allocates the figures to us.

Recommendation put and declared lost.

Section 10 agreed to.

SECTION 11

Question proposed: “That section 11 stand part of the Bill.”

Senator Alice-Mary Higgins: I oppose the section and I have also tabled recommendations to the section. Section 11 concerns the KEEP scheme. It is the one the Minister of State was preparing to discuss earlier. Section 11 is an extension of the KEEP scheme. My core issue is not with the measures concerning the extension, which relate to part-time, flexible working arrangements, although there is also a question mark over the movement between qualifying companies within the group. My concern is that the KEEP scheme effectively allows for employees to take a large portion of the emoluments they receive for their work in a company in the form of shares and thereby reduce the taxation they pay on the income derived. It is a really key concern as it benefits only those in private companies because it relates to companies that have shareholdings and where shares are an issue. It does not benefit those working in the public service. Persons may choose to have up to 50% of their wages paid in the form of stocks or share options. For example, they could get up to €100,000 a year in stock and share options and up to 50% of the total emoluments could be treated and take the form of shares. This is a real concern because it is another measure that means people will potentially be paying less tax to the Exchequer relative to their income because they are paying the rates for shares and stocks which, while they might be caught elsewhere, are not caught at the same rate, rather than as income. I am concerned that we are creating a perverse incentive whereby we are encouraging people to move from a model of payment as income to a model whereby they will be getting portions of their income as shares.

I know the Minister of State may welcome co-operative schemes, employee dividend schemes and so forth. If that was the case there would certainly be some merit in this but it is quite wide and can be used by a wide range of companies. There is concern over the specific new measure inserted in section 11 - perhaps the Minister of State can clarify it - regarding people moving between companies within a group. A group may have companies, one of which is profitable and one of which it chooses to make unprofitable for various reasons and tax reliefs. We have had considerable concern over that kind of issue.

Could somebody be working for one company and be taking shares of another company owned by the same network of companies as part of his or her emoluments under the scheme? That seems to be part of the new scheme allowing movement between qualifying companies within the group. I ask the Minister of State to clarify that. Could a person be working for one company while receiving shares of another company within that group? I can see numerous concerns that might arise from that measure aside from my general concern about the KEEP scheme.

Deputy Michael D’Arcy: The KEEP scheme is not for the wealthy elite. The KEEP scheme was designed for people working in a particular sector. The challenge for smaller companies in that sector is that they are not able to hold on to their staff. Staff retention is a major

issue in many sectors. The objective here is to give an employee the opportunity to take shares as part payment of their salary in effect. It is not that they are avoiding tax on that. The Senator seems to be hinting that people are avoiding paying tax or that the scheme is hollowing out the tax base. They pay tax on the shares when they exit and move off the shares, like many other investors. This was designed to help those working with smaller companies have an incentive to stay with that corporate group, rather than be challenged by the larger entities that are household names and that gobble up the staff.

In the circumstances the Senator outlined, somebody can receive shares in a company or holding company within a group. The measure reflects what has emerged from the comprehensive stakeholder consultation held this year. This was an SME event hosted by officials in June which allowed representatives of the sector to put forward their views on the changes required in KEEP and the incentives. The KEEP scheme was not working as we wanted it to work, which was to make it easier for small and medium-sized enterprises hold on to their staff.

Senator Alice-Mary Higgins: As I understand it, people can have up to €100,000 in stocks and shares, and up to 50% of their income come in the form of stocks and shares. This would mean people covered by this could be getting up to €200,000, which is quite a large amount. I would question the small-scale employee. The scheme is designed to be of benefit for those on €200,000, €150,000 or €100,000. I remind the Minister of State that the median income is less than €30,000. Therefore, we are talking about people in the top 10% of incomes who can benefit from this scheme.

It is interesting that the Minister of State indicated it is not working as he wishes for SMEs. It would be interesting to get a breakdown of the extent to which the KEEP scheme has been used by higher earners and larger companies versus how much it has been used by or is useful to SMEs, which are largely used as the logic for having it.

The Minister of State referred to a stakeholder consultation. While SMEs are stakeholders in this, PAYE workers are also stakeholders because they help to pay for it.

In terms of avoiding tax, let us be clear that this reduces the portion of incomes-----

Deputy Michael D’Arcy: It does not.

Acting Chairman (Senator Gerry Horkan): The Minister of State may come back in again later.

Senator Alice-Mary Higgins: While I agree that people get taxed on their stocks and shares, these people would have been taxed at 40% and are being taxed at a lower rate because it is on stocks and shares at point of exit. That is an overall reduction in our tax and revenue. The aspect of pay later and pay less has been the feature of a number of tax relief measures introduced by the Government over a series of Finance Bills. The aspect of pay later and pay less also underpins our private pension tax relief scheme in terms of the benefits for higher marginal rate earners. There is an issue with paying later and paying less. That is not really addressing the predictability of incomes.

Do we have a breakdown of high earners versus low earners who are benefiting from the scheme? To what extent is it larger companies versus SMEs? Has the Department engaged with stakeholders other than SMEs asking what they would like to give their employees?

Senator Kieran O'Donnell: With respect, you are taking an ideological viewpoint.

Acting Chairman (Senator Gerry Horkan): The Senator should speak through the Chair.

Senator Alice-Mary Higgins: Skip the ideological-----

Acting Chairman (Senator Gerry Horkan): Hold on. Senator Higgins will have another opportunity to come back in.

Senator Kieran O'Donnell: I wish to finish my point. The Senator is making the point that this is a tax-avoidance measure and that it should come in the form of income and be subject to income tax at the higher rate. I see this as a practical measure that allows companies operating in a very competitive environment to retain key staff members who may move to another company abroad or at home. This particular measure may ensure that companies will survive and prosper, and provide a large number of jobs to employees who will pay income tax. If they are exporting, as many are, they do not pay VAT. I see it in the round. The Senator's key point is an ideological point, whereas she should look at things in a practical way.

Acting Chairman (Senator Gerry Horkan): I call the Minister of State and Senator Higgins may come back in after that.

Senator Alice-Mary Higgins: Since I have been accused of an ideological-----

Acting Chairman (Senator Gerry Horkan): The Senator may come back in after the Minister of State.

Senator Alice-Mary Higgins: I have a single question to move it on.

Acting Chairman (Senator Gerry Horkan): I am letting the Minister of State in next. That is the order and the Senator may come back in to conclude.

Senator Alice-Mary Higgins: I have a single sentence.

Deputy Michael D'Arcy: I have no more to add.

Acting Chairman (Senator Gerry Horkan): As the Minister of State has no more to add, I call Senator Higgins.

Senator Alice-Mary Higgins: In an earlier contribution I asked the Minister of State a direct question and did not get an answer. It might be useful on this. Does he believe in progressive taxation? Does he believe that the SARP scheme and the KEEP scheme satisfy the principles of progressive taxation?

Acting Chairman (Senator Gerry Horkan): Before I call the Minister of State, I note-----

Senator Alice-Mary Higgins: Since I have been accused of having an ideological position, let us go there.

Acting Chairman (Senator Gerry Horkan): -----the Minister of State made the point that 1.5% of the population are paying 25% of the tax. Therefore, the Minister of State has addressed that point to my mind.

Deputy Michael D'Arcy: Unfortunately, the Senator's ideology is clouding her practicality. If we go down the road of her ideology we would not have enough money to spend the-----

Senator Alice-Mary Higgins: What is the ideological point on which the Minister of State disagrees with me?

Deputy Michael D'Arcy: She is trying to portray the Irish income tax as not being progressive. It is the most progressive income tax system in the OECD countries. The more people earn in Ireland, the more they pay. We have a number of targeted schemes designed to increase the overall pot. The Senator's ideology would prevent the pot being increased. She would bang the drum but it would result in only having €40 billion to spend instead of €60 billion. That is ideology-----

6 o'clock

Senator Alice-Mary Higgins: Are the KEEP and SARP schemes progressive?

Deputy Michael D'Arcy: That is the Senator's ideology.

Senator Alice-Mary Higgins: It is not ideology; it is a direct question.

Acting Chairman (Senator Gerry Horkan): Hold on-----

Senator Alice-Mary Higgins: I am simply asking whether the KEEP scheme and the SARP scheme are progressive taxation measures. That is not ideological. The Minister of State has spoken about progressive taxation.

Acting Chairman (Senator Gerry Horkan): I will allow the Minister of State in to reply.

Senator Alice-Mary Higgins: It is not an outlier notion.

Acting Chairman (Senator Gerry Horkan): I ask the Minister of State to go ahead.

Deputy Michael D'Arcy: I will give the Senator actual numbers. A total of 87 people benefited from KEEP in 2018, its first year of operation.

It is not a case of tens of thousands of people scamming the system and the income tax structures. It involves a very small number of people, so it has not had the take-up we wanted. We wanted thousands of people who are working within the SME sector to be able to take share options and have them as a savings opportunity and whenever they may require that savings opportunity, they would-----

Senator Alice-Mary Higgins: What was the cost of the scheme?

Deputy Michael D'Arcy: We do not have it because the shares must be retained for a period of time.

Senator Alice-Mary Higgins: So we do not know how much it cost for the 87 individuals who benefited.

Deputy Michael D'Arcy: We do not have the cost because the shares must be retained for a period of years.

Acting Chairman (Senator Gerry Horkan): While the Senator can come back in, this is not a to-and-fro session.

Deputy Michael D'Arcy: The Senator's ideology prevents her from allowing those 87 people to benefit. We want that figure of 87 to increase to hundreds, perhaps even thousands of people who are taking up these share options because then they have buy-in with regard to their

company and are far less likely to move off to another company, perhaps one of the big players or the big fish.

Senator Alice-Mary Higgins: What ideology?

Deputy Michael D'Arcy: Pardon?

Senator Alice-Mary Higgins: To what element of ideology is the Minister of State referring?

Deputy Michael D'Arcy: The Senator's ideology is that none of this should happen. It is very clear. Most schemes to prevent-----

Senator Alice-Mary Higgins: Is my ideology one of progressive taxation? Is that the tension?

Deputy Michael D'Arcy: The Senator ignores the fact that the Irish income tax system is the most progressive in the OECD. She chose to ignore that.

Senator Alice-Mary Higgins: Can we refrain from-----

Acting Chairman (Senator Gerry Horkan): I will let the Senator back in but-----

Senator Alice-Mary Higgins: I do not want to come back in.

Acting Chairman (Senator Gerry Horkan): The rules do not permit me to allow people to throw in heckles, digs, questions or whatever one wants to call them. This applies to the Minister of State as much as to the Senator. The Senator says her piece, the Minister of State responds and the Senator can come back in. That is the way it works. The Senator cannot keep chipping in in the middle of the Minister of State's contributions.

Senator Alice-Mary Higgins: I see that. I am just asking whether we could stop getting the exact same answer, which is that I have ideology, so that we can move forward. Can we stop throwing that in?

Acting Chairman (Senator Gerry Horkan): I have asked the Minister of State-----

Senator Alice-Mary Higgins: If the Minister of State has a view on the scheme and I have a view on it-----

Deputy Michael D'Arcy: The Senator keeps saying the same thing. It is the same answer regarding the same silly question.

Acting Chairman (Senator Gerry Horkan): That is not helpful either.

Senator Alice-Mary Higgins: With respect to the Chair, can we just focus on-----

Acting Chairman (Senator Gerry Horkan): I am going to put the question.

Question put and declared carried.

NEW SECTION

Senator Alice-Mary Higgins: I move recommendation No. 2:

In page 16, between lines 6 and 7, to insert the following:

“Report on key employee engagement programme

12. Within 3 months of the passing of this Act, the Minister shall produce a report on the implementation of the key employee engagement programme, to include a breakdown of the cost of the scheme and revenue forgone in 2018 and 2019.”.

Recommendation No. 2 relates to the cost of the key employee engagement programme. We know 87 persons benefited. This recommendation involves how much the scheme costs. We knew that it cost €10 million to set up. We have spent €10 million on it for starters and as 87 people have benefited, that is quite a substantial benefit for a very small number of people so far. The Minister of State says shares may be held and the tax may be taken at a later stage so I might withdraw the recommendation and bring it back on Report Stage to revise and specifically address the income tax foregone. While the Minister of State will rightly make the point that some taxation may be taken from the scheme at a later stage in respect of taxation on shares - we do not know if that will be later - I will believe it will also be less. The clarity we need concerns the scheme in 2018 and 2019. What portion of income tax revenue was foregone in those years? Given that my wording is wider, I will withdraw the recommendation and re-introduce it on Report Stage focusing on income tax foregone and tax expenditure in 2018 and 2019.

Recommendation, by leave, withdrawn.

Question, “That section 12 stand part of the Bill”, put and declared carried.

Sections 13 and 14 agreed to.

Senator Kieran O’Donnell: I want to check. I might have the original. Section 18-----

Acting Chairman (Senator Gerry Horkan): We are not there yet.

Senator Kieran O’Donnell: Section 18 concerns the living city initiative.

Acting Chairman (Senator Gerry Horkan): No, section 18 deals with flat rate expenses.

Senator Kieran O’Donnell: Which section deals with the living city initiative? Recommendation No, 3, which concerns a report on the review by the Revenue Commissioners on flat rate expenses does not appear to be in any way in sync with section 18.

Acting Chairman (Senator Gerry Horkan): Is the Senator referring to the Bill, Committee Stage recommendations or the Bill as passed?

Senator Kieran O’Donnell: I want to speak on that recommendation but I do not want it passed.

Senator Alice-Mary Higgins: I think it is section 17 but I am not sure. Is it the living city initiative? It is section 17.

Senator Kieran O’Donnell: Is it definitely section 17?

Acting Chairman (Senator Gerry Horkan): The version I have here is-----

Senator Kieran O’Donnell: -----is section 18 but what I am saying is that with regard to section 18, recommendation No. 3 states that on page 20-----

Senator Alice-Mary Higgins: My apologies, I might have the Bill, as amended on Committee Stage, rather than the Bill, as amended on Report Stage.

Senator Kieran O'Donnell: It is a bit out of sync. Is the Senator moving recommendation No. 3, which deals with a report on flat rate expenses, under section 18 because it has nothing to do with the living city initiative?

Senator Alice-Mary Higgins: That is not my recommendation. We are only on section 15.

Acting Chairman (Senator Gerry Horkan): We are dealing with section 15. We will then take sections 16 and 17 and when we get to section 18, we can deal with Senator Kieran O'Donnell's point.

Senator Kieran O'Donnell: I am just concerned about the recommendation.

Section 15 agreed to.

SECTION 16

Question proposed: "That section 16 stand part of the Bill."

Senator Rose Conway-Walsh: Section 16 concerns the help to buy scheme. We disagree with this scheme. The original costing suggested that the scheme would cost €130 million in total, however, we know that by August 2019, the cost was €206.4 million. The aim of the scheme is to help first-time buyers raise the 10% deposit to purchase a property but we know that the average help to buy purchase was above the average price of residential properties in 2018. There is no need for this scheme and it is using money that could be used to solve the housing crisis. The report produced on it shows that the scheme has failed to benefit all of the regions of the country as well, with 60% of claims being made in Dublin. More worryingly, the report shows that the scheme has been disproportionately availed of by higher-income earners so it is out of reach of the vast majority of earners. Only 13% of sales through the scheme involved properties costing less than €225,000 and more than a fifth of the houses were bought for more than €375,000. This is not an affordable housing scheme. Basically, 40% of people who used this scheme already had the 10% deposit and did not need it so it failed to help the majority of people to get on the property ladder. It has not done anything to reduce housing prices. It is simply being priced in. The cost of the scheme has been €206.4 million but it has failed to benefit those who need help the most and has done nothing to reduce the cost of housing. On that basis, we will be opposing section 16.

Deputy Michael D'Arcy: Senators will be aware that the help to buy scheme was announced in budget 2017 and back dated to apply to 19 July 2016. It is an income tax incentive measure designed to assist first-time buyers with the deposit required to purchase or self-build a new house or apartment to live in as their home and to support the growth in supply of new homes. The relief is only available in respect of new builds. The Senator quoted figures regarding properties costing less than €225,000 and more than €375,000. I would not like to try to buy anything in County Dublin for €225,000. I note Senator Horkan is nodding his head.

Senator Gerry Horkan: That is why I am out of one chair and into another. I want to speak on this issue.

Deputy Michael D'Arcy: I would not like to try to buy something for €225,000 in the area in which Senator Boyhan lives. Senator Conway-Walsh quoted a figure of €375,000. A

person might buy something very small in Dún Laoghaire for that amount but then again, he or she might not. I accept that the figures quoted by the Senator are above the average but 15,000 people have benefited from this. I support first-time buyers, which is why we are extending the scheme. I disagree with the Senator's logic. Again, it goes back to an ideology. Senator Conway-Walsh's ideology is incorrect. Somebody who is in County Dublin should be entitled to this as well as somebody living a long way from the city centre, from the capital or from the county who has the benefit of buying a house for a much lower price. One could buy a house in my constituency for much less than €375,000 but one will not buy a new build there for much less than €275,000.

Senator Gerry Horkan: With the greatest respect, I acknowledge that property values where Senator Conway-Walsh is living are not the same as those in the general local authority area I represented.

The help-to-buy scheme was very much a Fianna Fáil initiative in the confidence and supply agreement with the Government. All one needs to do is go on *daft.ie* and look at the price of any three-bedroom semi-detached house in Stillorgan, Dundrum, Kilmacud, Leopardstown or Clonskeagh. Just because one happens to live in Dublin and one ends up having an expensive house does not mean one is wealthy. It just means one has a higher mortgage and one spends a higher percentage of one's take-home income on housing. I made this point earlier at a meeting of the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach where we were discussing the fact that teachers in south County Dublin are being paid the same as teachers in rural Mayo or Longford but they are paying €2,500 a month in rent whereas one might rent a house for €400 or €500, and certainly less than €1,000, in other parts of Ireland outside the main cities in smaller towns and villages.

This is not about making people wealthy. Senator Boyhan will be as familiar with the property market in Dún Laoghaire-Rathdown as I am. I ask all Senators to consider the cost of a three-bedroom semi-detached house in south Dublin, particularly in the Dún Laoghaire-Rathdown area, and he or she will realise that this is not a scheme designed for the super rich. It is designed to give people who were from an area, who may have grown up in an area and who are working in that area, some small relief towards the purchase of an incredibly expensive property. That is all it is.

Senator Rose Conway-Walsh: This scheme does not do anything for housing. It benefits people who do not need it. There is an issue of deadweight here. I made clear, both here and on Second Stage, my party's objections to this. I oppose section the section.

Question put:

The Committee divided: Tá, 13; Níl, 7.	
Tá	Níl
Burke, Colm.	Conway-Walsh, Rose.
Burke, Paddy.	Devine, Máire.
Buttimer, Jerry.	Gavan, Paul.
Byrne, Maria.	Higgins, Alice-Mary.
Coffey, Paudie.	Mac Lochlainn, Pádraig.
Conway, Martin.	Ó Donnghaile, Niall.
Feighan, Frank.	Warfield, Fintan.

Lawlor, Anthony.	
Lombard, Tim.	
McFadden, Gabrielle.	
O'Donnell, Kieran.	
O'Mahony, John.	
Reilly, James.	

Tellers: Tá, Senators Gabrielle McFadden and John O'Mahony; Níl, Senators Rose Conway-Walsh and Máire Devine.

Question declared carried.

Section 17 agreed to.

NEW SECTIONS

Senator Gerry Horkan: I move recommendation No. 3:

In page 20, after line 33, to insert the following:

“Report on flat rate expenses

18. The Minister shall, within 3 months of the passing of this Act, prepare and lay before the Oireachtas a report on the review by the Revenue Commissioners on flat rate expenses and ways in which low and medium income earners can be protected from any change that may arise.”.

This recommends that the Minister shall, within three months of the passing of this Act, prepare a report and lay it before the Oireachtas. Many other Senators for some reason seem to want to provide for many reports to be reported to Dáil Éireann. I do not know why somebody in this House would want all these reports going to the other House and not to the House of which he or she is a Member, but that is what many Senators seem to have done. My three recommendations are about preparing and laying before the Oireachtas a report-----

Acting Chairman (Senator Kieran O'Donnell): It is good to see Senator Horkan is inclusive.

Senator Gerry Horkan: I am inclusive always.

My three recommendations are about preparing and laying before the Oireachtas a report on the review by the Revenue Commissioners on flat-rate expenses and ways in which low and medium income earners can be protected from any change that may arise.

The point, as no doubt the Minister of State will be aware, is that this is a competence of the Revenue Commissioners. A significant number of people, currently totalling 606,570 employees, avail of various expenses. These are deducted from their income and reduce their taxable pay. If they are on the standard rate, it will benefit them at the standard rate. If they are on the higher rate, it will benefit them on the higher rate. There are 53 employment categories and 134 individual flat-rate expense allowances. I will not go through them all but they are detailed, from carpentry to cardiac technicians, clergymen in the Church of Ireland, dentists in employment, dockers, draftsmen, occupational therapists and many other categories.

The gross claims were €163 million. The cost to the Exchequer was €48 million. The Minister of State may end up saving that €48 million, but who will be affected? All I am asking for in this recommendation is that, within three months of the passing of this Act, we would have a report on the review by the Revenue Commissioners on flat-rate expenses and ways in which low and medium income earners can be protected from any change that may arise.

Senator Rose Conway-Walsh: We need to examine the impact on low and medium earners before that is changed.

Deputy Michael D’Arcy: The flat-rate expense allowance regime is an administratively-based practice operated by the Revenue Commissioners where specific commonality of expenditure exists across an employment category and the statutory requirement for a tax deduction for expenses, as set out in section 114 of the Taxes Consolidation Act 1997, is satisfied, namely, that the expense must be wholly, exclusively and necessarily incurred in the performance of the duties of the relevant employment.

Over the past 18 months, Revenue has been conducting a comprehensive review of the regime. No decision have been made but I understand that the review is nearing conclusion and its expected completion date is before the end of the year. Any potential changes to the regime will not be implemented before 1 January 2020.

Revenue is independent in its performance of its functions under the tax Acts and any changes in practice to the flat-rate expenses regime are, therefore, solely a matter for Revenue. I, therefore, caution against any actions that might be perceived as seeking to undermine the independence of Revenue.

I understand that any withdrawal of the practice can only take place if Revenue is satisfied that there is no longer a legally valid basis to give the concession after engagement with the relevant representative body acting on behalf of the various categories of workers. I expect that Revenue, as it has demonstrated on many occasions, will implement the outcome of its review in its customary proportionate and fair manner, cognisant of the impact on the individuals concerned.

As Senators may be aware, the Minister for Finance has engaged with Revenue on the matter. Once this process of engagement has been completed, he will be in a position to comment further and, conscious of the timeline involved, he anticipates that he will be able to do so shortly. It would not be appropriate, therefore, for the reasons outlined, to take the recommendation proposed by the Senators.

Senator Rose Conway-Walsh: Until all that is done, can the flat-rate expense allowance regime not just be extended for another year until the impact has been properly assessed? The Minister of State said it will be introduced in January 2020.

Senator Gerry Horkan: I accept the point that the Minister of State made but there needs to be a genuine understanding by the Revenue and the Government of the effect of this change. I will not press the recommendation and I am happy to withdraw it, although I do not know what Senator Conway-Walsh wants to do. I will withdraw, having listened to the Minister of State’s analysis, but it is important that we keep this measure under review, regardless of whether we want to do a report on it under the Bill. The Government needs to be cognisant that almost one third of the workforce are affected by these expenses and workers are going to start seeing changes in their pay cheques and remittances. Depending on whether workers are

paid weekly or monthly, they could notice the change as soon as the first week of January and wonder why it has happened. Workers may be affected by this change so it is important that the Government and the Department keep it under review.

Senator Rose Conway-Walsh: I cannot accept this. I am worried about the impact that this will have on low and middle income workers and this cannot be left up to Revenue. I will press the recommendation.

Senator Kieran O'Donnell: Many flat-rate expenses have been there for years and many workers are not claiming flat-rate expenses to which they would be entitled. I appreciate the cautious approach that the Government has taken. The relevant term was always that the relevant expenses were wholly, exclusively and necessarily incurred in the performance of one's duties. Jobs have changed significantly over many years and I expect many new categories to come in. It is important that this is handled with great caution.

How soon does the Minister of State mean when he says that the measures will be announced "soon"?

Deputy Michael D'Arcy: Soon is very soon - a matter of days rather than weeks.

Recommendation put:

The Committee divided: Tá, 6; Níl, 14.	
Tá	Níl
Conway-Walsh, Rose.	Boyhan, Victor.
Devine, Máire.	Burke, Colm.
Gavan, Paul.	Burke, Paddy.
Hackett, Pippa.	Buttimer, Jerry.
Higgins, Alice-Mary.	Byrne, Maria.
Warfield, Fintan.	Coffey, Paudie.
	Conway, Martin.
	Feighan, Frank.
	Lawlor, Anthony.
	Lombard, Tim.
	McFadden, Gabrielle.
	O'Donnell, Kieran.
	O'Mahony, John.
	Reilly, James.

Tellers: Tá, Senators Rose Conway-Walsh and Paul Gavan; Níl, Senators Gabrielle McFadden and John O'Mahony.

Recommendation declared lost.

Senator Alice-Mary Higgins: I move recommendation No. 4:

In page 20, after line 33, to insert the following:

"Report on re-introduction of trade union tax relief"

18. The Minister shall, within 7 months of the passing of this Act, prepare and lay before Dáil Éireann a report on the re-introduction of the trade union tax relief.”.

This recommendation refers to the restoration of tax relief on trade union subscriptions. The rationale at the time of its abolition was that it was a measure related to austerity and difficult choices that needed to be made. The initial proposal was that tax relief on both trade union subscriptions and subscriptions to professional bodies would be abolished. In fact, when the 2011 Finance Bill was published, the tax relief on trade union subscriptions was abolished but the tax relief on subscriptions to professional bodies was not.

An inequitable situation continues whereby tax relief is still granted to the self-employed and on professional fees paid by employers for employees’ memberships of professional bodies and subscriptions to, for example, bodies such as IBEC and the Irish Small and Medium Enterprises Association, ISME, yet tax relief is not granted on trade union subscriptions. It is an anomaly that was introduced into the tax system in 2011. We were told it was part of a necessary austerity measure at the time. The concern is that we have heard a lot of comment in many debates in this House about partnership and balance between all parties but it is inequitable if tax relief is only applied to professional body membership. I do not oppose that but it needs to be matched by addressing the issue of tax relief for trade union membership. If we wish to have a society that engages in negotiation by partnership, ensuring that we can have collective discussions at the highest level and industrial relations machinery that works, trade union membership has a significant public benefit. I would like the Minister to consider producing a report on the best ways to further restore balance in that regard and restore the trade union membership tax relief.

Senator Rose Conway-Walsh: I understood that Sinn Féin had sorted out this section in the Dáil. Can the Minister of State clarify that?

Deputy Michael D’Arcy: The Minister for Finance has committed to preparing a report on the tax treatment of union subscriptions. I was not going to take the recommendation.

Senator Alice-Mary Higgins: I am fantastically delighted because I automatically put it forward three years in a row. I congratulate those who put it forward.

Deputy Michael D’Arcy: It is my pleasure to have fantastically delighted the Senator.

Recommendation, by leave, withdrawn.

SECTION 18

Question proposed: “That section 18 stand part of the Bill.”

Senator Kieran O’Donnell: Section 18 covers the living city initiative. It has been in place for a few years. It is a big issue for us in Limerick city where we have a Georgian quarter. I have spoken to the Minister of State and his officials in the past about the take-up of this scheme, how it has worked and whether he has had an opportunity to review it. The scheme’s purpose is beneficial but the practical importance is whether it is working. If the Minister of State has not had an opportunity to review it, I would like something constructive to be done by the Department on this initiative. It applies nationally but I am specifically concerned with the heart of Limerick city where uniquely in Ireland our footprint is Georgian. It is critical for us that the scheme is taken up. Are there impediments to taking it up? Does the Minister of State

have an indication of the take-up of the scheme generally and specifically in Limerick city?

Deputy Michael D’Arcy: I know the Senator has been asking about this for several years. A total of 228 applications have been received since the start of the scheme: 92 in Dublin, 71 in Cork, 19 in Limerick, 32 in Waterford, 11 in Kilkenny, and a low number for Galway. A total of 20 individuals have made claims in respect of €400,000 in 2017 at a cost to the Exchequer of €100,000. It is much lower than we had hoped or anticipated. The numbers are not at the level we expected when the scheme was originally envisaged under this section of the Finance Act 2013, which commenced in May 2015.

Senators will be aware that, as a result of the review, changes to the scheme were introduced in budget 2017 to enhance the uptake and effectiveness of the scheme. The principal changes were the extension of the residential element of the scheme to lessors; the removal of the requirement for the residential element of the scheme that the building must have been originally constructed for use as a dwelling; the removal of the floor area restrictions for the residential element of the scheme and the reduction of the minimum amount of capital expenditure required for eligibility to €5,000. The Minister has decided to extend the scheme for a further two and a half years providing for a sunset clause on 31 December 2022.

Senator Kieran O’Donnell: Those figures are disappointing. The Minister of State mentioned 228 applications nationally but only 19 came from Limerick. That is low and disappointing. I welcome the extension of the scheme for a further two and a half years. I would like him to commit to reviewing the scheme in some depth to see why there is such a low take-up in Limerick city where there is a much higher concentration of Georgian buildings in the city centre than in the other cities. Perhaps I could follow up on that with him and his officials.

Deputy Michael D’Arcy: I will be glad to follow it up with the Senator.

Question put and agreed to.

Sections 19 to 26, inclusive, agreed to.

NEW SECTIONS

Senator Rose Conway-Walsh: I move recommendation No. 5:

In page 33, between lines 2 and 3, to insert the following:

“**Report on income tax relief**

27. The Minister shall, within 6 months of the passing of this Act, prepare and lay before Dáil Éireann a report on an income tax relief equivalent in value to one month’s rent of an individual available to all renters not already in receipt of any State subsidy examining the social and economic impact of this measure in the context of high levels of rent.”.

This is an important recommendation and relates to our alternative budget. It provides for tax break equal to one month’s rent during that period worth €279 million. We are asking for a report on that. This relief existed in the past and we want it reintroduced. We talk about tax reliefs but if tenants who are being crucified by ever-increasing rents cannot have a tax relief, there is something seriously wrong.

Deputy Michael D’Arcy: The previous tax relief for rent paid was abolished in budget 2011 and is no longer available to those who commenced renting for the first time from 8 December 2010. This followed a recommendation in the 2009 report by the Commission on Taxation that rent relief should be discontinued. The view of this independent commission was that in the same manner that mortgage interest relief increased the cost of housing, rent relief increased the cost of private rental accommodation. Accordingly, the result of reintroducing this relief would be a transfer of Exchequer funding directly to landlords, which would not have the intended effect of reducing the pressure on tenants. In addition, a tax credit of this nature would be of little benefit to lower income workers, the unemployed and students, who may not receive the benefit of the relief because they may not be paying sufficient income tax. The actions the Government proposes to take to address concerns about the cost of rental accommodation are set out in Rebuilding Ireland, the action plan for housing and homelessness. Finally, at the time of its abolition, the rental tax relief was costing the Exchequer up to €97 million per annum. Under certain assumptions it is likely that the annual cost of the proposal, if introduced, would be even higher. I do not propose to accept this recommendation.

Senator Rose Conway-Walsh: That is why within our alternative budget we cited an emergency freeze on rents for three years to address the question of the transfer to landlords.

Recommendation put:

The Committee divided: Tá, 6; Níl, 13.	
Tá	Níl
Boyhan, Victor.	Burke, Colm.
Conway-Walsh, Rose.	Burke, Paddy.
Gavan, Paul.	Buttimer, Jerry.
Higgins, Alice-Mary.	Byrne, Maria.
Mac Lochlainn, Pádraig.	Coffey, Paudie.
Ó Donnghaile, Niall.	Conway, Martin.
	Feighan, Frank.
	Lawlor, Anthony.
	Lombard, Tim.
	McFadden, Gabrielle.
	Ó Céidigh, Pádraig.
	O’Donnell, Kieran.
	O’Mahony, John.

Tellers: Tá, Senators Rose Conway-Walsh and Paul Gavan; Níl, Senators Gabrielle McFadden and John O’Mahony.

Recommendation declared lost.

Senator Rose Conway-Walsh: I move recommendation No. 6:

In page 33, between lines 2 and 3, to insert the following:

“Report on introduction of a progressive wealth tax

27. The Minister shall, within 6 months of the passing of this Act, prepare and lay

before Dáil Éireann a report on options available for the introduction of a comprehensive and progressive wealth tax. The report shall include options for; the collection and collation of data necessary for the assessment of such a tax, categories of wealth to be included in such a tax, rates applied to certain categories of wealth under such a tax, proposals for the assessment and collection of such a tax, and estimated revenue raised under those options.”.

This is for the introduction of a wealth tax. The reason I wish to move the recommendation is because in our alternative budget, we wanted to introduce a wealth tax for the wealthiest 0.25% in this State at a rate of 1% on the portion of wealth held over €1 million. That would bring in €89 million, which would pay for a great many things that are necessary.

Deputy Michael D’Arcy: I will not be accepting the amendment.

Acting Chairman (Senator Gerry Horkan): It is a recommendation.

Deputy Michael D’Arcy: I note that we have wealth taxes. We tax wealth in a variety of ways, including capital gains tax and capital acquisitions tax. These taxes are levied on individuals or companies on disposal of an asset in the case of capital gains or the acquisition of an asset through gift or inheritance in the case of capital acquisitions tax. We also have a wealth tax on the highest form of wealth in the State. This is a property tax. Of course Sinn Féin is against the property tax because it is populist. The local property tax was introduced in 2013. It brings in approximately €500 million.

It is important to understand where Ireland stands in respect of the distribution of wealth. Our officials examine all aspects, including taxation and wealth taxation, on an ongoing basis. During 2016 and 2018 the Department jointly with the ESRI conducted two research projects into the distribution of wealth in Ireland and the potential implications of a wealth tax using the CSO household finance and consumption survey. The resulting research papers are available on the ESRI website. Both papers presented results on the composition of net wealth - assets less liabilities - across the wealth and income distribution sectors in Ireland. A number of wealth tax scenarios, including regimes from other jurisdictions and other scenarios, were applied to the Irish data. In each case the associated tax bases and revenue yields, the number of liable households across the income distribution and the characterisations of the households affected were outlined. The composition of households under different tax scenarios was examined and the studies found that even with a narrow base and high threshold, some households in low-income deciles were affected. This is because of the imperfect correlation between income and wealth. Furthermore, the distribution implications of a wealth tax across different types of households should be taken into account. A larger proportion of the wealth tax burden would fall on certain households than their share of net wealth might indicate.

If a wealth tax were to be applied in addition to the related forms of wealth taxation, it could have the disincentivising effect of causing large changes in the level or types of assets held by Irish households. Households could be expected to respond to high effective rates of tax on capital income, for example by reducing their holdings of assets in Ireland or reallocating their wealth holdings to asset types facing a lower wealth tax charge.

Reference was made to increasing taxes on high-income earners. In 2020 it is projected that the top 1.5% of those who have an annual income of over €200,000 will pay 26.5% of all income tax and universal social charge payments. This is a large proportion of the total of income

tax take and USC take for such a small number of taxpayers. In comparison, 72% of taxpayer units, which is the cohort of those with an annual income of less than €50,000, will pay 15% of all the income tax and USC.

To further demonstrate the high amount of tax being paid by high earners under the current income tax system and USC system I note that in 2020 it is expected that there will be approximately 2.78 million taxpayer units, including married couples under joint assessment. The total yield from income tax and USC will be over €24 billion. The remaining yield of over €17 billion will be paid by less than 440,000 people earning over €70,000. Of that yield, approximately €7.2 billion will be paid in total by 2.34 million taxpayer units with incomes of under €70,000 per annum.

It is my view that a broad-base progressive income tax system where the majority of income tax earners make some contribution, according to their means, is the most fair and sustainable income tax system in the long term. The Department will continue to monitor and consider any additional information and data that come to its attention. The Department will continue to examine existing alternative potential taxation sources. The Minister has no plans to introduce tax measures along the lines suggested and therefore the recommendation will not be accepted. There is another aspect to this. I do not have the actual figure but approximately 30% of the people who earn income in the State pay zero income tax. That is an important figure to note as well.

Senator Rose Conway-Walsh: I point out that we are talking about 0.25% of the wealthiest people in the State and we are talking about a 1% tax on amounts over €1 million. That would bring in €89 million. I really think this needs to be reviewed.

Senator Paul Gavan: I will take up that last point on the percentage of people that do not pay income tax, because it is trotted out by conservative politicians all the time. I respectfully remind the Minister of State that those people pay plenty of VAT. As the Minister of State knows, VAT is not correlated to income, so it is disingenuous to talk about people who do not pay tax. Everyone pays tax in this country, but the wealthiest pay the least in comparison to their income.

Acting Chairman (Senator Gerry Horkan): The Minister of State noted that he was referring to income tax.

Deputy Michael D'Arcy: It is important to note I was discussing income tax. Of course everyone pays VAT, but about 30% of the 2.3 million people who work in Ireland do not pay any income tax. I support that wholeheartedly, because as I said to Senator Higgins earlier, we have a very progressive income tax system. It is the most progressive system within the OECD, though that is too often ignored by people with a different point of view than mine. The Senator described me as a conservative politician, but I consider myself a centrist. Tags such as conservative or liberal are irrelevant to me. We have a very fair income tax system, as I have said to the Senator on previous occasions. It is an appropriate system. The OECD considers our income tax system to be most progressive, as people who earn more pay more. In 2020, 1.5% of people will pay 26.5% of all income tax and USC. The highest form of wealth in this State is property, but the Senator's party disagrees with taxing that because it is populist. It is practically the only leftist party in Europe that does not support a wealth tax, which is mainly a tax on property.

Senator Pádraig Mac Lochlainn: We support a second home tax. That is another distortion of the truth.

Senator Paul Gavan: The Minister of State forgot to mention that we also have the third-highest rate of low-wage earners in Europe. That is why they do not pay tax. Their wages are so bad that the State subsidises low-wage employers, to the tune of €300 million a year. We should be ensuring those employers pay a living wage. That is Sinn Féin's policy.

Deputy Michael D'Arcy: In case the Senator was unaware, when Fine Gael came back into government the first thing we did was to reverse Fianna Fáil's decision to reduce the minimum wage by €1.

Senator Paul Gavan: The Government has now frozen it.

Deputy Michael D'Arcy: It is now €9.85, which is the second-highest minimum wage in Europe. The Senator has chosen to ignore that fact. We also have a social protection payment which used to be called the family income supplement, though I am not sure what it is called now.

Senator Paul Gavan: That is the one.

Deputy Michael D'Arcy: It is a superb payment.

Senator Paul Gavan: It is, for bad employers.

Deputy Michael D'Arcy: Many people benefit from getting a payment into a household on top of their net pay. It is a superb payment because it benefits so many families. It is a family income supplement. Many people find that they have to earn a huge amount more money in gross to get beyond the net effect of the family income supplement plus their net pay. The Senator should not decry that payment, as it is one of the best payments we have in the social protection budget.

Senator Paul Gavan: It would not be necessary if workers were paid a living wage. That is the point I am making.

Senator Pádraig Mac Lochlainn: Hear, hear. That is the point.

Senator Paul Gavan: In many cases it is a subsidy to low-wage employers. As it stands, the minimum wage law has an appeals mechanism in place whereby an employer who cannot afford to pay the minimum wage can appeal that and go through a process to agree it. The same practice would be possible with the living wage, and we have included that in our policies. What Fine Gael is doing at the moment is subsidising too many bad employers. Workers who work for a living deserve to earn a living. That is what a living wage means.

Deputy Michael D'Arcy: The Senator made a point about bad employers. I am not here to defend bad employers. Some sectors pay above the minimum wage because there are sectoral agreements in place for €10 an hour. The Senator should not say that the people paying those amounts-----

Senator Niall Ó Donnghaile: The rents in Dublin-----

Deputy Michael D'Arcy: If the Senator will allow me to finish-----

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

Deputy Michael D'Arcy: The Senator should not say that those people are bad employers. I know both good employers and bad employers. Most employers do their best to continue employing people and the people doing the employing are often the last to be paid. That is how things are for many businesses, both big and small, the length and breadth of this country. The Senator should not decry employers because without employers, there would be no employees. Sinn Féin's model would vanish pretty quickly.

Senator Alice-Mary Higgins: The conversation has strayed quite widely. The Minister of State referred to the family income supplement, which is now called the working family payment. People are very aware of that payment because they are all struggling to make ends meet and people rely on it. It is an indictment if people are not earning enough for their families to live on. That is an issue. I support the payment because I realise that people need it. It is not a wonderful add-on, but is something people need.

The Minister of State mentioned sectoral agreements. I would be delighted if all sectors had sectoral agreements but, unfortunately, that is not the case. Measures to push forward a sectoral agreement in the hospitality sector, which employs a high number of people, many of whom rely on the working family payment, were opposed only a week ago. Sectoral agreements would be an ideal way to move this forward, but a number of employers and employment representative organisations have opposed them. That is just a point of information, on which I do not need to elaborate.

Senator Paul Gavan: I will reiterate the Senator's last point. The Minister of State mentioned good and bad employers. Let us be very specific here. The hospitality industry has refused point-blank to engage with trade unions or the industrial relations machinery of the State, specifically the Workplace Relations Commission, in order to work through a joint labour committee, JLC, process. The Government maintained that veto last week here in the Seanad. That is the bottom line. It is clear to me that employers that refuse to engage with trade unions are bad employers. The Minister of State should think that too.

Deputy Michael D'Arcy: It is very easy to stand up and decry a whole sector as bad employers but it is wrong to do so. I know huge numbers of people who work in the hospitality sector. They work in that sector to provide excellent employment. The Senator may not agree with it-----

Senator Paul Gavan: I do not.

Deputy Michael D'Arcy: -----but the hospitality sector employs tens of thousands of people and it is wrong for someone to stand up in a Chamber where he or she has privilege and call all those people bad employers. I am from a county with a huge amount of hospitality sector employers and employees.

Senator Paul Gavan: Why will they not engage with trade unions?

Acting Chairman (Senator Gerry Horkan): Senator Gavan should allow the Minister of State to speak.

Deputy Michael D'Arcy: The Senator should not do that, because it is wrong. If he thinks certain companies are bad employers, he should go out onto the plinth and name them and see

where he finds himself.

Senator Paul Gavan: What the Minister of State has said is quite outrageous. The Irish Hotels Federation has point-blank refused and has stated with pride that it will not engage with trade unions or the industrial relations machinery of the State. I have cited that example several times in this Chamber. Will the Minister of State not condemn that? Has he nothing to say about it? I am very clear-----

Senator Niall Ó Donnghaile: He says he is not a conservative.

Senator Paul Gavan: I would suggest that he is somewhere to the right of the Tories.

Senator Frank Feighan: In power-----

Acting Chairman (Senator Gerry Horkan): Senator Feighan does not have the floor just yet. We are currently dealing with an amendment proposing a wealth tax, from which we have strayed a fair bit. One could say that everything is linked to a wealth tax, but we must deal with the amendment. I ask the Minister of State to conclude his remarks.

Deputy Michael D'Arcy: Sinn Féin is always hypocritical when it comes to a wealth tax. The highest form of wealth in this State is property but Sinn Féin will not tax it because it is populist. That is purely what Sinn Féin is about.

Senator Pádraig Mac Lochlainn: The Minister of State spoke about hoteliers and the hospitality sector. In Donegal and rural areas throughout the west of Ireland, the sector the Minister of State would claim to champion and laud is outraged that the Government has increased its rate of VAT from 9.5% to 13.5%. The Government is treating a hotel in the top of Donegal or the west of Mayo the same as a hotel in Dublin. It treats a hairdresser on Grafton Street exactly the same as a hairdresser on the main street of Milford or Ballina. Why has it done that? The Government is using the hospitality sector to impose a tax that is not progressive, VAT being applicable to everybody in the same way. Everywhere it turns, the Government does not have friends. It is a foolish policy and the Government needs to address it.

In regard to this recommendation, our position is that the very wealthiest section of our society - we are talking about people earning more than €140,000 per year - can afford to pay a bit more to alleviate the crisis in the health system, in housing, the evidence of which we see in this city tonight, in childcare and so on.

Senator Alice-Mary Higgins: I support the property tax and I also support Sinn Féin's proposal to introduce a progressive wealth tax.

Deputy Michael D'Arcy: The point about VAT is that we brought the numbers back up to where they were. I am not sure whether Senator Mac Lochlainn knows how we paid for that in the first place. We did so by putting a levy on people's pension pots, which generated hundreds of millions and eventually billions of euro to provide the hospitality sector with a much needed boost. The industry was appreciative of the measure at the time and knew and understood that the standard rate would eventually be restored. Many different aspects of the provision were considered at the time, including the argument that only businesses in Dublin should be returned to the higher rate. However, the simple fact is that, according to the VAT law of this State, we cannot apply a regional rate. If Sinn Féin is being honest in its intentions in proposing a wealth tax, it should acknowledge that property is the largest form of wealth in this State

by a country mile.

Senator Niall Ó Donnghaile: Apple is fairly wealthy.

Recommendation put:

The Committee divided: Tá, 8; Níl, 12.	
Tá	Níl
Black, Frances.	Burke, Colm.
Conway-Walsh, Rose.	Burke, Paddy.
Devine, Máire.	Buttimer, Jerry.
Gavan, Paul.	Byrne, Maria.
Hackett, Pippa.	Coffey, Paudie.
Higgins, Alice-Mary.	Conway, Martin.
Mac Lochlainn, Pádraig.	Feighan, Frank.
Ó Donnghaile, Niall.	Lawlor, Anthony.
	Lombard, Tim.
	McFadden, Gabrielle.
	O'Donnell, Kieran.
	O'Mahony, John.

Tellers: Tá, Senators Rose Conway-Walsh and Paul Gavan; Níl, Senators Gabrielle McFadden and John O'Mahony.

Recommendation declared lost.

Senator Alice-Mary Higgins: I move recommendation No. 7:

In page 33, between lines 2 and 3, to insert the following:

“Report on revised threshold for High Wealth Individuals

27. The Minister shall, within 3 months of the passing of this Act, prepare and lay before both Houses of the Oireachtas a report on the introduction of a new threshold for High Wealth Individuals defined as persons in possession of net assets of the value of €10 million and above.”.

This recommendation proposes that the Minister produce a report on the introduction of a new threshold for the definition of high wealth individuals as being persons in possession of net assets of €10 million or more. That is an extremely high level of wealth but lower than the current threshold. As we know, people earning €40,000 pay the same income tax rate as those earning €60,000. Those earning from €75,000 to €1 million may be able to avail of the SARP scheme, as we have already discussed, and pay a reduced rate. My recommendation is about examining the introduction of some form of wealth tax for high wealth individuals.

To give some perspective, in the five-year period between 2013 and 2018, during which time many people throughout the country were experiencing straitened circumstances and many parents were relying on the working family payment, there was a 32% increase in the number of millionaires in Ireland. We got 3,000 new millionaires last year alone. There are more than 1,000 of what are called ultra high net worth individuals, that is, people who have net assets of

€30 million or more, living in the State. In addition, the number of billionaires went from eight to nine in 2018. During a period when the minimum wage was frozen, before starting to crawl back up, we had an extremely high increase in the numbers of people with immense wealth.

I have not gone for millionaires in my proposal, nor have I solely targeted our nine billionaires. Instead, I have gone for a level in between, a little below that of the 1,000 people with assets of €30 million or more. I am asking that the Minister consider a threshold for the introduction of a wealth tax which would include persons with assets worth €10 million or more. It is absolutely fair enough that they should be eligible for such a tax. They are not people who happen to own a family home that is valued highly because of where it is located. They are not people with two family homes and a small number of shares in the company in which they work. We are not going after people with property of any reasonable or normal level. When we talk about a net worth of €10 million or more, we are talking about people who can afford to contribute a little more to the State. I reserve the right to introduce on Report Stage a further proposal in respect of ultra high net worth individuals if the Minister of State is of the view that €10 million is too low a threshold in terms of people making an additional contribution.

Deputy Michael D’Arcy: Following a review, Revenue recently revised the threshold for high net worth individuals downwards from €50 million to €20 million. The review was conducted in the first quarter of 2019 and the report was published in June. The rationale for setting the threshold at €20 million included facilitating the close alignment of Revenue’s resources with risk, the engagement between Revenue and the Comptroller and Auditor General on chapter 18 of the 2018 report on the management of high net wealth individuals’ tax liabilities, and the discussion that took place during the Revenue chairman’s attendance at a meeting of the Committee of Public Accounts in November 2018. The adjustment of Revenue’s organisational structure is an ongoing process influenced by a wide range of factors both internal and external. Revenue is proactively and continually evolving its structure to ensure it can optimally manage the alignment of its resources with risk and deliver a high-quality service to support taxpayer compliance.

Revenue is independent in its administration of the tax and duty system, and the threshold within which cases are managed by the different divisions is an operational matter for Revenue. As part of its ongoing management of the case, I understand Revenue will continue to prepare reports and evolve its case base. In these circumstances, a review is not appropriate at this time. It would not be a productive use of resources coming so soon after the previous review. It does not have relevance to the Finance Bill and I cannot accept the recommendation.

Senator Alice-Mary Higgins: Just to clarify, was €10 million considered or lower? Was €15 million considered?

Deputy Michael D’Arcy: It was €50 million.

Senator Alice-Mary Higgins: Yes, I know, and it was reduced. In terms of the risk issues that were identified, was there a specific consideration of risks in reducing the threshold to €10 million?

Deputy Michael D’Arcy: No, €20 million was deemed appropriate.

Senator Alice-Mary Higgins: I think €10 million might be worth considering and reviewing because if there is a substantial-----

Deputy Michael D’Arcy: The Revenue Commissioners have just concluded a review. They are the people who deal with people of high net worth. They have made a judgment call based on their knowledge, experience and abilities in terms of the risk to be applied and how those high net worth people are configured with that figure. I am not going to tell the Revenue Commissioners what the figure should be. They are independent of Parliament. It is a matter for Revenue to put its figure upon it.

Senator Alice-Mary Higgins: With due respect, the decisions in respect of policy around revenue and the direction of it, they actually are political decisions. Lots of decisions have been made around tax reliefs and measures and how we set the bands. I do not think we can abdicate that issue entirely to Revenue in that regard. These are not highly important people, they are high net value people who happen to have a lot of assets. We should bear in mind that all the people are important. The Minister of State is talking about people with an extraordinarily high level of assets. It is quite a legitimate question and a political question to decide if the Minister of State or the Minister, Deputy Donohoe, would wish to ask Revenue to consider a risk analysis in respect of the possible costs or benefits of defining the threshold down to €10 million. I accept that the Minister of State does not accept my recommendation at this point.

Deputy Michael D’Arcy: The point I am making is that Revenue has just concluded a review and says that the appropriate figure is €20 million, not €10 million.

Recommendation put and declared lost.

Section 27 agreed to.

Business of Seanad

Acting Chairman (Senator Gerry Horkan): I welcome to the Gallery former Senator Brian Hillery and his family, including Gavin and Joanne, I think. It is nice to see a former Member back and everybody looking so well. I apologise that I do not know the name of the fourth person with him. Three out of four is not bad.

Finance Bill 2019: Committee Stage (Resumed)

Section 28 agreed to.

NEW SECTION

Acting Chairman (Senator Gerry Horkan): Senator Higgins has left the Chamber. Recommendation No. 8 is in her name. Does Senator Gavan wish to speak on her behalf?

Senator Paul Gavan: I move recommendation No. 8:

In page 50, between lines 32 and 33, to insert the following:

“29. Within 7 months of the passing of this Act, the Minister shall produce a report on

the potential introduction of a financial transactions tax to include a consideration of—

(a) the potential for Ireland to demonstrate European and global leadership on this issue,

(b) the potential revenue deriving from a financial transactions tax of 0.1 per cent on shares and securities and 0.01 per cent on derivatives.”.

I wish to withdraw the recommendation, with leave to resubmit on Report Stage.

Acting Chairman (Senator Gerry Horkan): I note that moving the recommendation is not sufficient to bring it back in on Report Stage if the substance has not been discussed. The Senator does not have to speak on it but not doing so may make it more difficult to bring it back on Report Stage.

Senator Paul Gavan: That is fine. I think it is a very reasonable proposition on the part of Senator Higgins to produce a report on the potential introduction of a financial transactions tax. It is very relevant and timely. It is funny; a few years ago when I was a trade union official I had an informal conversation with the leader of Fianna Fáil, who told me he was quite open to the idea of a financial transactions tax and that it was something that should be studied. That was a good few years ago now. If one wing of conservative Ireland can see the merit in this, why not the other wing?

Acting Chairman (Senator Gerry Horkan): I am in the Chair but let us not be provocative.

Recommendation, by leave, withdrawn.

Recommendation No. 9 not moved.

Section 29 agreed to.

Sections 30 to 34, inclusive, agreed to.

NEW SECTION

Senator Paul Gavan: I move recommendation No. 10:

In page 93, between lines 1 and 2, to insert the following:

“Report on restoring cap on intangible assets

35. The Minister shall, within 6 months of the passing of this Act, prepare and lay before Dáil Éireann a report on restoring the 80 per cent cap on intangible assets onshored between 2015 and 2017 that can be written off against profits at the rate of 100 per cent.”.

The recommendation is self-explanatory. We are asking that within six months of the Act passing, the Minister will prepare and lay before Dáil Éireann a report on restoring the 80% cap on intangible assets onshored between 2015 and 2017 that can be written off against profits at the rate of 100%. We are simply asking for a report. I do not see what is unreasonable or untenable about that. Let us see what is in the report. It is a moderate request.

Deputy Michael D’Arcy: Capital allowances for intangible assets were introduced in the Finance Act 2009 to support the development of the knowledge economy and the provision of high-quality employment. This recognises the fact that growth in OECD economies is increas-

ingly driven by investment in intangible assets. When the capital allowances were introduced, a restriction was provided to cap the amount of income that the allowances could be used against in any year at 80%. The cap was removed for a period between 2015 and 2017, to bring the tax treatment of intangible assets into line with the tax treatment of similar assets in other jurisdictions and to enhance the competitiveness of Ireland as a location for companies to develop intellectual property. Following a significant increase in the use of the capital allowances in 2015, the 80% cap was restored in the Finance Act 2017.

For the purposes of certainty, changes to tax law are generally made on a prospective basis, such that they apply only from the date on which they have legal effect. Therefore, as the Senators are aware, this measure did not apply retrospectively. Senators will also be aware that the cap has no effect on the overall quantum of capital allowances available to use against the relevant trading income. Any amounts restricted in one accounting period as a result of a cap are available for carry forward and use against qualifying income in a subsequent accounting period, subject to the application of the cap in that period.

Revenue has advised that in the short term, there could be a large theoretical cashflow gain, tentatively estimated to be in the region of €720 million, from the introduction of an 80% cap on intangible assets onshored between 2015 and 11 October 2017. However it is *8 o'clock* important to be clear that such a change would not lead to more tax overall and this is simply a timing matter. To present this as additional tax for the Exchequer would not be correct. Senators may be aware that the Minister, Deputy Donohoe, made a commitment during debate on this Bill on Dáil Committee Stage, that the terms of reference for a planned examination of the sustainability of corporation tax receipts will include examination of the contribution of intellectual property to tax receipts into the future. Having regard to this commitment, in addition to the volume of discussion on record with regard to this issue, I do not believe a report would add further value, therefore I cannot accept the Senators' proposed amendment.

Recommendation, by leave, withdrawn.

Sections 35 to 38, inclusive, agreed to.

NEW SECTION

Acting Chairman (Senator Gerry Horkan): I draw to the attention of the House an error on the recommendation list. Recommendation No. 11 should be listed under section 39 rather than section 37.

Senator Paul Gavan: I move recommendation No. 11:

In page 94, after line 34, to insert the following:

“Report on applying CGT to all sales of property by IREFs

39. The Minister shall, within 6 months of the passing of this Act, prepare and lay before Dáil Éireann a report on applying the full rate of Capital Gains Tax of 33 per cent to all sales of property by IREFs, as opposed to current rules whereby tax on capital profits is paid only through a Dividend Withholding Tax when the IREF makes a distribution.”.

This is a reasonable request that the Minister shall, within six months of the passing this Act,

prepare and lay before Dáil Éireann a report on applying the full rate of capital gains tax of 33% to all sales of property by Irish real estate funds, IREFs, as opposed to current rules whereby tax on capital profits is paid only through a dividend withholding tax when the IREF makes a distribution. We think there could be potential here and are calling for a report.

Deputy Michael D’Arcy: The Finance Act 2016 introduced the IREF regime. The regime provides that profits arising to Irish funds from Irish property remain within the charge to Irish tax. An IREF is an investment undertaking where 25% or more of the value of the assets of the undertakings is derived from real estate assets in the State. As an investment undertaking, the profits or gains of the IREFs are generally not taxed within the fund but instead are subject to tax in the hands of the investors. Where an investor receives value from the IREF, an IREF withholding tax will apply.

Senators will be aware that anti-avoidance measures were introduced via financial resolution on budget night this year. Limitations have been introduced on interest expenses based debt to property costs and to profits-to-interest ratio. Tax is now payable at the fund level in circumstances where this ratio is breached. Another measure addresses the calculation of IREF tax bill amounts to ensure that claims are subject to IREF tax. Enhanced reporting requirements are also being introduced to ensure timely, comprehensive information is available on IREF activities. The amendments have been introduced to ensure that an appropriate yield of tax is being collected from the regime and the responsibility to pay the withholding tax is not being circumvented.

As part of the Finance Bill process last year, a commitment was made on Dáil Committee Stage to produce a report on REITs, IREFs and other section 110 companies as they invest in the property market. The report was presented to the tax strategy group in July and published. The information set out in the report has provided a basis for policy discussions and the amendments being introduced in this Finance Bill. In light of this, and the new measures that were introduced in the Bill, I do not consider it appropriate to undertake a further report of the nature proposed by the Senators and do not accept the recommendation.

Senators will be aware that the Minister, Deputy Donohoe, stated in his budget speech that Department of Finance officials had been instructed to continue to scrutinise IREFs over the coming year with a view to taking further action, if necessary.

Senator Paul Gavan: I will press this recommendation.

Recommendation put:

The Committee divided: Tá, 8; Níl, 13.	
Tá	Níl
Black, Frances.	Burke, Colm.
Conway-Walsh, Rose.	Burke, Paddy.
Devine, Máire.	Buttimer, Jerry.
Gavan, Paul.	Byrne, Maria.
Hackett, Pippa.	Coffey, Paudie.
Mac Lochlainn, Pádraig.	Conway, Martin.
Ó Donnghaile, Niall.	Feighan, Frank.
Warfield, Fintan.	Lawlor, Anthony.

	Lombard, Tim.
	McFadden, Gabrielle.
	Ó Céidigh, Pádraig.
	O'Donnell, Kieran.
	O'Mahony, John.

Tellers: Tá, Senators Rose Conway-Walsh and Paul Gavan; Níl, Senators Gabrielle McFadden and John O'Mahony..

Recommendation declared lost.

Sections 39 to 41, inclusive, agreed to.

SECTION 42

Question proposed: "That section 42 stand part of the Bill."

Senator Pippa Hackett: It seems as if this section is, essentially, a tax rebate scheme-----

An Leas-Chathaoirleach: Order for Senator Hackett, please.

Senator Pippa Hackett: Section 42 looks as if it is, essentially, a tax rebate scheme for road hauliers and one would have to question why this particular sector is being supported in this way. My colleague, Senator Higgins, wishes to submit amendments on Report Stage.

An Leas-Chathaoirleach: That is a matter for Senators when we get to Report Stage.

Question put and agreed to.

Sections 43 to 46, inclusive, agreed to.

Recommendation No. 12 not moved.

SECTION 47

Question proposed: "That section 47 stand part of the Bill."

Senator Pippa Hackett: Senator Higgins has serious concerns that the measures in this section will encourage high-stakes gambling and she intends to submit amendments on Report Stage.

Question put and agreed to.

Sections 48 to 50, inclusive, agreed to.

SECTION 51

Question proposed: "That section 51 stand part of the Bill."

Senator Gerry Horkan: There is an anomaly that allows businesses to reclaim VAT on diesel but not on petrol. I do not propose a recommendation but I ask the Minister of State to examine how diesel and petrol are treated differently. There may be an issue on how hybrids are being treated and so on. This is separate from the Finance Act but there is a different tax treatment for businesses between diesel and petrol, which significantly disadvantages both plug-in

and self-charging hybrids in the company car market. I ask the Minister of State to look into the removal of this anomaly, which allows a VAT reclaim on only diesel fuel and, thereby, excludes the drivers of hybrid company cars from this relief used for business mileage. I ask the Minister of State to examine this policy again. There does not appear to be a logical argument for allowing such relief on only one of the two current fuels that are widely used. It is clearly the case that earlier arguments that suggested that petrol cars are more likely to be abused for private use than diesel cars are now wide of the mark since there is no clear demographic divide between the purchase of vehicles that use these two fuels with the purchase decision, more often than not, being simply economically motivated.

Deputy Michael McGrath has tabled parliamentary questions on this matter. I ask the Minister of State to look at that issue in the long term because it is something I have been asked about by people involved in the motor industry generally. We have acknowledged at this stage that while the Government was incentivising people to move towards diesel years ago, it has been discovered that diesel is probably in many ways more damaging for our urban environments given the emissions it produces and so on. This anomaly should be examined.

Deputy Michael D’Arcy: I acknowledge what the Senator said and I will look at it.

Question put and agreed to.

NEW SECTIONS

Senator Gerry Horkan: I move recommendation No. 13:

In page 108, between lines 3 and 4, to insert the following:

“Anti-smuggling measures

52. The Minister shall, within 3 months of the passing of this Act, prepare and lay before the Oireachtas a report on the operation of section 136 of the Finance Act 2001 and the feasibility of including members of An Garda Síochána in the definition of “officer” in order to better enable them to tackle illegal smuggling of goods.”.

This recommendation is concerned with smuggling and the ability of members of An Garda Síochána to obtain a search warrant specifically to search for excisable goods. In the context of Brexit, in particular, the situation is likely to get worse for retailers struggling to compete with illicit traders’ smuggled products. Solid fuel, for example, can represent up to half of turnover for some retailers, particularly in the winter months. The illegal fuel trade is booming, at a cost to the Exchequer of more than €9.7 million in lost revenue, including carbon tax. This represents a loss of €36.5 million to retail merchants and is putting many local traders out of business and more than 1,200 jobs at risk. In 2018, an illegal cigarette production factory was discovered in County Louth, confirming fears that illegal tobacco is not only being smuggled into Ireland but is also being manufactured here. An illegal tobacco products research survey by Ipsos MRBI found that approximately €453 million worth of illegal cigarettes, or 23 million packs, were consumed in Ireland in 2018, representing 13% of the market and a loss to the Exchequer of some €211 million. In March of this year, Revenue uncovered an illegal alcohol bottling plant, also in Louth, which entails a potential substantial loss of revenue to the Exchequer and to alcohol retailers. It follows the discovery of a large-scale counterfeit vodka production plant in the same county in 2017. In the course of that year, Revenue seized 95,021 litres of illicit alcohol valued at almost €1 million.

Currently, gardaí are not in a position to do the job they would like to do because the powers of entry, search and seizure, as provided for in section 136 of the Finance Act 2001, may only be exercised by an officer of the Revenue Commissioners. This needlessly restricts the resources of the State in tackling the problem of illicit smuggling. My recommendation proposes that members of the Garda be given the same powers as customs inspectors to obtain a search warrant for the specific purpose of identifying excisable goods. This requires a small amendment to the 2001 Act to redefine the term “officer” for this purpose. It would support legitimate traders, shore up Exchequer revenues and increase enforcement authority against criminality. If the Minister of State is not in a position to accept my proposal today, I hope he will at least take it on board for the future. We have a confidence and supply agreement in operation and I do not intend to try to bring down the Government. My colleague, Deputy Breathnach, is keen to see this matter addressed. He represents Louth, which is one of the areas heavily affected by smuggling. There are Senators in the Chamber today from Border areas who may agree with what I am proposing. I look forward to the Minister of State’s response to this sensible recommendation.

Deputy Michael D’Arcy: Revenue has indicated that it uses a range of measures to target those involved in the illegal smuggling of goods, which include sharing intelligence on a national, EU and international basis, utilising analytics and technology, and ensuring the optimum deployment of resources. Revenue and An Garda Síochána work together on an ongoing basis in this area. Section 136 of the Finance Act 2001 provides for a range of Revenue powers of entry and search of premises, other than a dwelling, for the purposes of investigation of fraud in excisable goods. The section also allows Revenue to apply to the District Court for a search warrant to search any premises, including a dwelling, if it is satisfied that excise offences may be at issue. When applying for such a warrant, Revenue may seek permission to enter a premises with other persons, including a member or members of An Garda Síochána.

As the lead agency with regard to fiscal fraud issues, Revenue has advised that, in its view, section 136 is operating in a satisfactory manner. In any case where a Garda presence is needed, Revenue may apply to the District Court for a search warrant for that purpose. Therefore, I do not intend to accept the recommendation. However, I remain open to consideration of any proposals Revenue may wish to make in the area of excise compliance powers or tax compliance powers generally, based on its operational experience of the existing legislation.

Senator Gerry Horkan: I thank the Minister of State for his response. The recommendation does not seek to take powers from Revenue but, rather, to facilitate its officers in working with An Garda Síochána. Retailers have argued that gardaí are being hampered in their work in circumstances where a Revenue officer is not immediately available. The requirement that Revenue must lead a search may be hindering investigations in some cases. Specifically, retailers are concerned that gardaí could find themselves in a situation where they encounter something suspicious but their powers are not sufficient to act. By the time Revenue officers are engaged, it may be too late to apprehend a person potentially engaged in smuggling. I will withdraw the recommendation at this stage, but I hope the Minister of State will take it on board for the future.

Recommendation, by leave, withdrawn.

Senator Paul Gavan: I move recommendation No. 14:

In page 108, between lines 3 and 4, to insert the following:

“**52.** In line with the principal of economic externalities, all revenue generated through Solid Fuel Carbon Tax, Natural Gas Carbon Tax and the carbon component of Mineral Oil Tax shall form a ring-fenced climate action fund to be allocated by the Minister for

Communications, Climate Action and the Environment, having consulted with the relevant Oireachtas committees.”.

This recommendation is self-explanatory. I propose to withdraw the recommendation.

Acting Chairman (Senator Gerry Horkan): The same health warning applies to this recommendation as applied to the previous one.

Recommendation, by leave, withdrawn.

Sections 52 to 55, inclusive, agreed to.

NEW SECTION

Senator Rose Conway-Walsh: I move recommendation No. 15:

In page 109, between lines 21 and 22, to insert the following:

“**Report on VAT on food supplements**

56. The Minister shall, within 3 months of the passing of this Act, prepare and lay before the Oireachtas a report on the treatment of food supplements in terms of VAT and whether they can be zero rated.”.

We are proposing that within three months of the passing of the Bill, the Minister will produce a report for the Oireachtas on the VAT treatment of food supplements and whether they might be eligible for a zero rate. There are two reasons for this recommendation. First, the imposition of VAT on supplements will have a significant impact on people who are most vulnerable to price increases. Second, in terms of value to the Exchequer, the new charge is likely to encourage people to try to purchase supplements online. The health food shops in my community, as in every community, employ people and offer a good service in terms of providing information and products. Many of them will be wiped out because of this new charge. That is why we are asking the Minister to review and report on the matter.

Senator Gerry Horkan: Senator Conway-Walsh and I are not always on the same page but we certainly are so on this issue. One of the changes provided for in the Finance Bill is the imposition of the 13.5% rate of VAT on food supplements. This provision was discussed at great length during the passage of the Bill through the Dáil. It was also discussed extensively at the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach, of which Senators Kieran O’Donnell, Conway-Walsh, Paddy Burke and I are members, as was the Minister of State before he was elevated to higher office. That committee heard in detail from representatives of the health food sector, at which time the Minister announced that a review would be undertaken. The Revenue Commissioners subsequently announced, on 1 March, that various food supplements would be charged at the 23% VAT rate. Thanks to political pressure from my party and others, that decision was postponed until 1 November 2019.

In the meantime, the Taoiseach referred to food supplements as snake oil, which was unhelpful and served to discredit the many positive health benefits of those supplements. Many

people, including the elderly and pregnant women, have achieved healthy outcomes from using food supplements. I am not saying that every supplement or every product that purports to be a supplement is fantastic, but many of them are very helpful. This move will serve to increase the cost of living for people and runs counter to positive health policy.

We will continue to raise the matter with the Minister on the basis that we are all agreed that some of these products offer benefits. With so many people using food supplements, there is a possibility that some of them, if they can no longer afford the products, could end up ill in an emergency department. If those people end up in a hospital bed, even for one night, it will add up to a significant demand on resources. There is a false economy in what we are trying to do here. I appreciate that the rate of VAT on food is 0% and food supplements are effectively a form of food. They supplement food. This is a relatively short-sighted measure, which is unhelpful for public policy, the improvement of health and keeping people in this State as healthy as they can be. People are going out and trying to be healthier. Some will probably still do so and suck up the price increase but others may decide they cannot afford the increased cost. On that basis they will get sick and end up in hospitals or accident and emergency departments with poor health outcomes that would be far more costly to the State than allowing a VAT rate of 0% on food supplements. This recommendation seeks for a new report to be laid before the Oireachtas on the treatment of food supplements and whether they can still be zero-rated, within three months of the passing of the Bill. I do not expect the Minister of State to accept the recommendation but it would be worthwhile if he did so.

Deputy Michael D'Arcy: I will not go over what Senator Horkan highlighted because much of it was cases presented. This is not a revenue-raising exercise. Changing the VAT rate on food supplements will result in a net neutral figure because while some supplements will go from 0% to 13.5%, others will go from 23% to 13.5%. That fact is often ignored. This must be clarified because people had differing views on which VAT rate applied and different companies were paying different VAT rates. This brings clarity to the entire sector and it is being concluded. It is not legally possible to apply the 0% rate to food supplements and the European Commission has confirmed its agreement with Revenue's understanding of the matter. Should the amendment not be accepted, the VAT rate of food supplements will be 23%. If this is passed, it will not be 13.5%, but 23%.

Senator Gerry Horkan: I do not think that is valid.

Deputy Michael D'Arcy: Sorry, that statement was meant for the Dáil.

Senator Gerry Horkan: The Minister of State should not use its answers for us.

Deputy Michael D'Arcy: It is important to clarify that foods for specific groups, such as infant follow-on formula and infant foods, foods for special medical purposes and specially formulated foods will continue to be zero-rated. Foods that were correctly zero-rated in the early 1990s will remain at 0% VAT. Folic acid, vitamin and mineral products for human oral use, which are licensed by the Health Products Regulatory Authority, HPRA, will continue to be zero-rated under a different VAT provision for human oral medicines. The report the Senator is seeking will simply reiterate these points, about which we have spoken on a number of occasions. When Revenue made the decision to increase the VAT rate last March, many people told me that 23% was the wrong amount, but that 13% was an acceptable position. When the rate was subsequently changed to 13.5%, others said that was the wrong weight. However, I think it is the appropriate weight. This change brings clarity to VAT rates in the sector and brings the

matter to a conclusion.

Acting Chairman (Senator Kieran O'Donnell): Either Senator Horkan or Senator Conway-Walsh may speak next.

Senator Gerry Horkan: While I am not delighted with the Minister of State's response, as my party is involved in the confidence and supply arrangement I will withdraw my support for the amendment, having had a decent and robust debate on it. The Minister of State may argue that this is not a revenue-raising measure but anyone who was previously paying a 0% rate of VAT on products and is now paying 13.5% will not see it that way. I accept the Minister of State's point but equally, some people who were paying 0% on products are now paying 13.5%, and if they stop paying, there may be a false economy. However, I accept the point the Minister of State is making.

Acting Chairman (Senator Kieran O'Donnell): Does Senator Conway-Walsh wish to press the recommendation?

Senator Rose Conway-Walsh: Yes.

Recommendation put and declared lost.

Sections 56 to 60, inclusive, agreed to.

NEW SECTION

Senator Rose Conway-Walsh: I move recommendation No. 16:

16. In page 111, between lines 11 and 12, to insert the following:

“Report on restricting banks from carrying forward losses

61. The Minister shall, within 6 months of the passing of this Act, prepare and lay before Dáil Éireann a report on restricting the banks from carrying forward losses against taxable profits in a manner which could result in many institutions paying no corporation tax for the foreseeable future by introducing a 25 per cent cap on profit that can be written off by carried forward losses in any given year and an absolute ten year limit on the use of loss for this purpose.”.

I do not think we can continue with a situation where many of our banks are not paying any corporation tax. Losses against their taxable profits have resulted in banks and financial institutions paying no corporation tax for the foreseeable future. This recommendation would introduce a 25% cap on profits written off and losses carried forward in any given year. This situation cannot continue.

Deputy Michael D'Arcy: During the Dáil Committee Stage of the Finance Bill 2017, the Minister for Finance, Deputy Donohoe, committed to providing a report to the Select Committee on Finance, Public Expenditure and Reform, and Taoiseach on the possible consequences of changes to the treatment of corporation tax loss relief in respect of banks. This report was sent on 31 August 2018 and was also published on the Department of Finance's website. This report discusses in some detail the potential implications of restricting the use of losses carried forward or the introduction of a specific time limit or sunset clause on loss relief for Irish banks, for the wider banking sector or for the corporate sector as a whole. The report examines the

possible effect of such a restriction on consumers, with the probability that an increased cost base for the banks would be passed on in the form of higher fees and higher interest rates on mortgages and business and personal loans or lower deposit interest rates, or both. It also noted potential negative effects on the valuation of the State's bank shareholdings, on capital levels in the banks and the possible resulting regulatory impacts, the potential state aid implications and effects on competition within the banking sector in Ireland. The report further noted that loss relief is a standard feature of corporate tax regimes worldwide. Loss relief recognises the fact that business cycles run over a longer period than just a single year and that it would be inequitable to tax profits in one year and not allow relief for losses incurred in another.

In relation to the detail of the Senators' proposed amendment, the report estimated that a 50% restriction on the offset of losses against the three Irish pillar banks in 2017 would have yielded €117 million. However, these three banks contributed €101 million in 2017 through the bank levy. Furthermore, Irish banks currently pay Irish corporation tax, as the tax losses do not shelter all sources of income. According to the most up-to-date figures available, Bank of Ireland paid corporation tax of €21 million in 2018 in addition to a bank levy of €29 million, while AIB paid €25 million in corporation tax and a bank levy of €49 million. In total in 2018, Bank of Ireland, AIB and Permanent TSB combined paid approximately €147 million to the Exchequer, of which €101 million was from the bank levy and €46 million was in corporation tax. I also note that the Minister committed to provide the finance committee with updates on the figures in the published report, to reflect the additional year of data now available. I commit to also provide Senators with a copy of that updated report for their information.

Given the level of analysis that has been so recently completed and the commitment made to provide an update on the figures in the report, I do not accept the Senators' recommendation.

Senator Kieran O'Donnell: I was just reflecting when the Minister of State was talking that a significant amount of taxpayers' money went into the banks and is still in them. I would like to see that coming back for the taxpayer. As to what I believe would be the best way for it to come back, we must ensure that the valuations of the banks are held up. The recommendation could provide for a situation where there would be a major drag on the possibility of getting the maximum value back for the taxpayer. It is a view I share. I am not glad that taxpayers' money ever went into the banks. There was reckless trading. At the same time, I would adopt a pragmatic view that we need to ensure that we get maximum value for the taxpayer in repayment of the investment in the banks and we need to have a normal banking sector. There is need for the credit unions and public banking. I do not believe it should come through the pillar banks into which we have put significant taxpayers' money. Taking everything in the round, there are great dangers in tinkering with the system in terms of the hard-pressed money that was paid by taxpayers regardless of whether it came in the form of income tax, VAT or whatever. There may be unintended consequences to the recommendation.

Senator Rose Conway-Walsh: There were certainly intended consequences when the banks were up to their necks in reckless trading. I think it is obscene that we are rewarding these banks now. We have had one debacle after the other. We have had the tracker mortgages and everything else. It is obscene that they can avail of tax write-offs and we will not even agree to an absolute ten-year limit on the use of losses. It is absolutely morally wrong, with people who have suffered at the hands of the banks and continue to suffer, and with all the money we are continuing to pay back just to service the loans, to reward them with a tax write-off.

Recommendation put and declared lost.

Sections 61 to 73, inclusive, agreed to.

NEW SECTION

Senator Rose Conway-Walsh: I move recommendation No. 17:

In page 130, between lines 32 and 33, to insert the following:

“Report on introduction of measures to combat hoarding of land

74. The Minister shall, within 6 months of the passing of this Act, prepare and lay before Dáil Éireann a report on the introduction of measures to combat the hoarding of land needed for development, examining the options for and efficacy of a vacant property tax and land value tax.”.

The recommendation is intended to combat the hoarding of land needed for development and to examine the options for efficacy of vacant property tax and land value tax. In the current climate of the housing crisis, we see again today that the homeless figures have increased and it is really important to do this.

Deputy Michael D’Arcy: The Urban Regeneration and Housing Act 2015 introduced the vacant site levy, which is aimed at incentivising the development of vacant or under-utilised sites in urban areas. When this matter arose in the Dáil, on foot of an identical amendment proposed by Deputy Pearse Doherty, the Minister for Finance gave a commitment to provide information to the finance committee regarding the number of properties being levied at the higher vacant site levy rate before next year’s budget together with any further information available from local authorities regarding what effect that rate is having on the use of sites. In light of this commitment, the Deputy withdrew his amendment. The higher rate of 7% applies from 1 January 2020 and the Minister would hope to have six months’ worth of information regarding the application of the higher rate that can be shared before next year’s budget.

Senator Rose Conway-Walsh: I can see that the Minister of State and I are not going to agree on this occasion. I will press the recommendation.

Recommendation put and declared lost.

Sections 74 and 75 agreed to.

NEW SECTIONS

Senator Rose Conway-Walsh: I move recommendation No. 18:

In page 131, between lines 3 and 4, to insert the following:

“Report on Equality Budgeting Statement

76. Within 6 months of the enactment of this Act, the Minister shall lay before both Houses of the Oireachtas a report in relation to Gender and Equality Budgeting; to include a review of the implementation of the steps identified in the 2017 Staff Paper Equality Budgeting: Proposed Next Steps in Ireland and proposals in relation to an Equality Statement to accompany Budget 2021.”.

On behalf of Senator Higgins, I wish to move this recommendation and withdraw it with the

right to resubmit on Report Stage.

Acting Chairman (Senator Gerry Horkan): The same health warning applies. If the recommendation is moved and withdrawn and Senators do not speak on it, it can be challenged on Report Stage.

Senator Rose Conway-Walsh: This recommendation of Senator Higgins-----

Acting Chairman (Senator Gerry Horkan): Senator Conway-Walsh might wish to stand while she is addressing us.

Senator Rose Conway-Walsh: I will stand. The recommendation is in respect of gender and equality budgeting. It is really important to examine the impact the budget has on this.

Recommendation, by leave, withdrawn.

Acting Chairman (Senator Gerry Horkan): Recommendations Nos. 19 and 20 have been ruled out of order as they are not relevant to the subject matter of the Bill.

Recommendations Nos. 19 and 20 not moved.

Senator Rose Conway-Walsh: I move recommendation No. 21:

In page 131, between lines 3 and 4, to insert the following:

“Report on Re-Allocation of “No-Deal Brexit” fund

76. Within 3 months of the enactment of this Act, the Minister shall lay before both Houses of the Oireachtas a report examining options for the re-allocation of funds reserved for the case of the United Kingdom withdrawing from the European Union without a Withdrawal Agreement towards climate action measures.”.

9 o'clock I am moving this on behalf of Senator Higgins. She is asking that within three months of the enactment of this Act, the Minister shall lay before both Houses of the Oireachtas a report examining the options for the reallocation of funds reserved for the case of the United Kingdom withdrawing from the European Union without a withdrawal agreement towards climate action measures.

Recommendation, by leave, withdrawn.

Acting Chairman (Senator Gerry Horkan): Recommendation No. 22 has been ruled out of order as it is not relevant to the subject matter of the Bill.

Recommendation No. 22 not moved.

Section 76 agreed to.

Schedule agreed to.

Title agreed to.

Bill reported without recommendation.

3 December 2019

Finance Bill 2019: Order for Report Stage

Acting Chairman (Senator Gerry Horkan): When is it proposed to take Report Stage?

Senator Kieran O'Donnell: Next Tuesday.

Acting Chairman (Senator Gerry Horkan): Is that agreed?

Senator Rose Conway-Walsh: No.

Question put: "That Report Stage be taken on Tuesday, 10 December 2019."

The Seanad divided: Tá, 14; Níl, 5.	
Tá	Níl
Burke, Colm.	Conway-Walsh, Rose.
Burke, Paddy.	Devine, Máire.
Buttimer, Jerry.	Gavan, Paul.
Byrne, Maria.	Ó Donnghaile, Niall.
Coffey, Paudie.	Warfield, Fintan.
Conway, Martin.	
Feighan, Frank.	
Horkan, Gerry.	
Lawlor, Anthony.	
Lombard, Tim.	
McFadden, Gabrielle.	
Mullen, Rónán.	
O'Donnell, Kieran.	
O'Mahony, John.	

Tellers: Tá, Senators Gabrielle McFadden and John O'Mahony; Níl, Senators Rose Conway-Walsh and Paul Gavan.

Question declared carried.

An Leas-Chathaoirleach: When is it proposed to sit again?

Senator Jerry Buttimer: Maidin amárach ar 10.30.

The Seanad adjourned at 9.02 p.m. until 10.30 a.m. on Wednesday, 4 December 2019.