



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

SEANAD ÉIREANN

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

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SEANAD ÉIREANN

Déardaoin, 30 Iúil 2020

Thursday, 30 July 2020

Chuaigh an Cathaoirleach i gceannas ar 10.30 a.m.

*Machnamh agus Paidir.
Reflection and Prayer.*

Message from Dáil

An Cathaoirleach: Dáil Éireann passed the Financial Provisions (Covid-19) (No. 2) Bill 2020 on 29 July 2020 and it is sent herewith to Seanad Éireann for its recommendations.

An tOrd Gnó - Order of Business

Senator Lisa Chambers: The Order of Business is No. *a1*, Financial Provisions (Covid-19) (No. 2) Bill 2020 - all Stages, to be taken at 12.15 p.m. with the time allocated to the groups' spokespersons in the debate on Second Stage not to exceed eight minutes each, the contributions of all other Senators not to exceed five minutes each and the Minister to be given no less than eight minutes to reply, and Committee and Remaining Stages to be taken immediately thereafter; No. 2, motion regarding earlier signature of the Financial Provisions (Covid-19) (No. 2) Bill 2020, to be taken on conclusion of No. *a1* without debate.

Senator Timmy Dooley: I ask the Deputy Leader to arrange a debate with the Minister for Housing, Planning and Local Government at the earliest opportunity after we return from the summer recess to examine investment in water and sewerage infrastructure in rural areas in this country. In the county I know best, County Clare, there are four villages - Broadford, Cooraclare, Carrigaholt and Doolin - where there are no Irish Water assets. Raw sewage is pumped into local rivers and courses in a number of these areas, which is very damaging to the environment. It also has a significant impact on the capacity of these villages to grow and develop, which is an important part of balanced regional development. Let us consider what has happened as a result of the Covid-19 pandemic. Many more people now wish to work from home. It is clear from the research that has been done on the wishes of people who work in our cities that they would like to work from home. That creates a great opportunity for rural areas to attract people from the cities. If one does not have to work in the city centre five days of the

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week and if one does not have to clog up the traffic lanes, this is an opportunity for people to move back to their native communities in some cases and for others to have the experience of living outside the capital and major cities.

There is a plan, albeit rolled out too slowly, to provide broadband in many of these locations. However, there is no point installing more services until basic water and sewerage services are provided. I appeal to the Deputy Leader to organise this debate at the earliest opportunity so we can have an important dialogue on how we plan for our country and the living arrangements of our people in a post-Covid environment. We hear a great deal about shovel-ready projects and capital investment in key infrastructure as methods of rebooting our economy. I can think of no better area in which to invest than water and sewerage schemes, especially the smaller schemes and the schemes that fall outside the main priority of Irish Water. If we can get that right, we can relieve the pressures on our cities and give an opportunity to people who wish to live in the areas they know best and to build strong communities that will protect our schools and the other services that are in great need of more population. In that way we can work towards the idea of balanced regional development.

Senator Gerard P. Craughwell: I have been contacted by Ann Marie Flanagan, advocacy officer, and Martin Tobin of the Clare Leader Forum and they have raised many serious issues. From the nature of their questions it appears that we have not moved far from the outdated medical model to the more inclusive and appropriate social model when it comes to people living with disabilities. For a start, they question why Deputy Rabbitte is Minister of State with special responsibility for disability in the Departments of Health and Justice and Equality while Deputy O’Gorman is Minister with responsibility for children, disability, equality and integration. This is a bizarre carve-up of an area that requires the full and singular attention of one Minister. If one were to be cynical about it, the current arrangement allows for endless forwarding of matters for attention from one to the other, which is an impediment to progress and resolution.

They are equally concerned that both are Ministers with responsibility for disability, not the more inclusive term of Minister for disabled persons or people with disabilities. It might sound like something small, but semantics are important. It is indicative of the mindset which places people with disabilities outside the collaborative and consultative framework, as a problem to be solved by service providers. This regressive step was illustrated at a recent meeting of the Special Committee on Covid-19 Response, which heard from the professional lobby of service providers, without one disabled person or disabled people’s organisation representing people with disabilities being present. The Clare group wants to be included as equals to contribute to meaningful solutions. Nobody is better positioned to do so.

Martin and Ann Marie express the matter well when they say that the political narrative about their lives needs to move to equality and that we need to disentangle disabled people’s lives from service provision. They say

Because of our lives we are more than just service. We are human beings. We have real feelings, dreams and ambitions. We are citizens, adults, parents, children, workers, students, transport users, climate activists, people in need of housing, mortgage holders, users of all health services affected by the pandemic, just like everybody else.

On legislation we have always been behind the curve. We adopted the UN Convention on the Rights of Persons with Disabilities in 2006 but it took us until April 2018 to ratify it. The

Assisted Decision-Making (Capacity) Act 2015 has yet to be fully implemented, and the Disability Act 2005 protects the State's preventing disabled people and parents of disabled children from access to legal recourse if not provided with vital services.

I have a lot more to say on behalf of this very articulate group. I ask that at some stage we provide a space in our timeframe to allow for public consultation with actual disabled people rather than service providers. The disabled people themselves deserve the right to be heard in the Lower House of Parliament. I, therefore, ask that the Deputy Leader and the Leader between themselves find time for this.

An Cathaoirleach: I thank the Senator for his suggestion.

Senator Niall Ó Donnghaile: Yesterday I raised the very serious situation in the Skellig Star direct provision centre in Cahersiveen. I asked that the House would hear statements from a Minister on the very stark humanitarian crisis that residents in the centre are facing and an update on the Government's plans to bring the system of direct provision to an end. It was the responsible thing to do to suggest we provide an opportunity to hear such an update, engage on this issue and raise concerns, not least given the fact that residents in the Cahersiveen direct provision centre have started a hunger strike and that they have serious concerns about their access to safe drinking water. These are all very serious and real concerns. Senators from Fianna Fáil agreed with me and Senator Hoey when we raised these issues and, if it is to be believed, the Green Party will take credit for adding an end to direct provision into the programme for Government.

The purpose of raising this issue yesterday and seeking to amend the Order of Business was to give the Government parties an opportunity to sort this out. They have not done so. I have not had so much as a piece of correspondence or a phone call about this even asking for a bit more time - nothing. There has been absolute radio silence. All the while the situation in the Skellig Star continues. That is really not good enough. I, therefore, propose an amendment to the Order of Business: "That a Minister, preferably the Minister for Justice or the Minister with responsibility for children, disability, equality and integration, come before the House to update Members on this situation and the process to bring direct provision to an end." It is not too much to ask as we come to the end of our business before the summer break. This amendment does not seek to delay or hinder any legislation. It seeks a debate in the House on a very stark, real, immediate and dangerous humanitarian situation. If we are not even going to acknowledge the authoritarian approach of the Government parties on this with a debate or an update, it is a very worrying and very concerning potential sign of things to come, and I do not think this side of the House will be too accepting of it.

Senator Mark Wall: I support Senator Ó Donnghaile's amendment. He is right in what he says about Cahersiveen. He mentioned my colleague, Senator Hoey, who has raised this very important issue. We will back his call for an amendment.

The issue I wish to raise is that of medical cards, particularly the renewal of same. I ask the Deputy Leader to invite the Minister for Health to the House in order that we might debate with him the issues surrounding medical cards at this time. This is nothing new for me to bring up here. In April, the then Minister for Health, Deputy Harris, in reply to a question I asked him here, stated that he did not want to see medical card renewals "become a burden for people during this time". In fairness, he stated that he made this clear to his Department and the HSE. This seemed to work, and I am sure Members will have dealt with cases in which medical card

holders had been told their renewals were okay until 2021 and beyond. The reason I bring this up today is that I have had a number of calls this week and, even though we are still in the middle of a pandemic and supposedly “all in this together”, it looks as if renewals are back on the table again. One such call I got this week, on Tuesday, was from a man in his late 60s. He had spent seven months in hospital, most of that time, unfortunately, with the dreaded Covid virus. He has a medical card that is valid until the end of October, but one of the first letters he received on his arrival home stated that he must renew his medical card. These cards, as I have said previously, are comfort blankets for so many people. The stress this man is now under is unbelievable. This should not be the case. As the previous Minister for Health said, he did not want to see medical card renewals being a burden in April due to the pandemic. We are still in that pandemic, and that is why I am asking for the current Minister to come before us.

I also wish to use this opportunity, as fellow Senators have done in recent weeks, to support John Wall in his campaign for automatic medical cards for terminally ill patients. Unfortunately, like other Members, I am sure, I know too well the process John and those with terminal cancer are being put through. I will continue to fight for a one-tier health system whereby the State, rather than those who see health as a profit-making exercise, would control treatment and healthcare costs. In the meantime, for people such as John Wall, the least we should do is provide the comfort blanket that is a medical card at a time they need it most.

Senator Vincent P. Martin: Yesterday the Minister with responsibility for climate change, communications networks and transport announced funding to the tune of €4.5 million for 26 greenway projects throughout the country. I warmly welcome this announcement. Recently I spoke to a friend who, by his own admission, is anything but green in his outlook or thinking, but the lockdown gave him some time to think. He escaped the sheer pace and pressure of life and work. He took to his bicycle again for the first time in 30 years and with his two children went on daily cycles around Dublin city. He heard the birds sing for the first time. When the lockdown relaxed, however, he resented the return of mechanically propelled vehicles. This was an epiphany for just one person. In Cork city yesterday, we had an announcement of several streets being pedestrianised, putting people first, providing for al fresco dining and showcasing Ireland’s tourism. The future is bright; the future is green. In the programme for Government, the Green Party has negotiated a 2:1 balance in favour of public transport instead of roads, roads and more roads. At the heart of public transport, of course, are trains and buses, but also cycling and walking. In my commuter belt county of Kildare, cycling and walking provide a boost to tourism and a safe and healthy pastime. Kildare is also very close to Dublin and where people work. When we have the Grand Canal greenway and the other greenways up and running, people will be able to commute daily to work in certain places. I welcome the announcement made yesterday and look forward to better things to come. This is just the design feasibility and funding stage. The future is green and the future is bright.

Senator Eileen Flynn: I echo what has been said about the third day of hunger strike for the people in direct provision. This is one example of people living in pure poverty in 2020 Ireland. It is clear that people living in direct provision do not want to be there and are getting treated horribly by the State and some in the communities around them. I, therefore, support the call for a debate on ending direct provision. I am open to listening to what people have to say and I hope we do not have to put these people’s lives on hold any longer. The programme for Government commits to ending direct provision. We must now look at when that will be done. Time is of the essence in the context of saving the lives of young children and other people living in horrible conditions.

Senator Seán Kyne: Last week, the Minister for Transport, Tourism and Sport, Deputy Eamon Ryan, stated that urban transport could be transformed in six months under the stimulus plan. I certainly hope that is the case. The funding of €115 million for active travel, public transport and infrastructure is very welcome and much needed. It follows on from the allocation of €200 million under Project Ireland 2040 for BusConnects in Galway city and other cities. Although the focus on major cities is important, many of them have public transport links whereas many rural towns and communities have very poor public transport services. I warmly welcome any extra investment in public transport and active travel, but it took years for me and other public representatives to secure a couple of extra bus services on the main routes in Connemara, for example. Such extra services are very welcome, but they are not sufficient to successfully encourage greater use of public transport, particularly outside core urban areas. Unfortunately, bus services in some areas have been reduced or stopped altogether, such as the No. 456 service between Carndonagh and Galway city. That impacts negatively on everyone who needs the services, whether they be pensioners, those who do not drive, students or workers.

Reducing pressure on our main transport routes is very important. All Senators are aware that the carbon tax is projected to continue to rise in the coming years. It is important that we ring-fence those extra resources for the National Transport Authority to ensure adequate increases in public transport frequency and the provision of additional routes in rural towns and other rural areas. I hope the Minister, Deputy Ryan, will come to the House in the autumn to address this very important issue.

Senator Ned O'Sullivan: I share the concerns of other Senators with regard to the unhappy situation in Cahirsiveen. I endorse the very strong statement on the matter that was issued yesterday by my constituency colleague, the Minister for Education and Skills, Deputy Foley. I support the remarks of Senator Ó Donnghaile on the issue.

I do not usually use a script, but I will be treading on thin ice on this issue and, as such, will refer to my notes. I ask the Deputy Leader to arrange for a debate on nuclear energy as soon as possible in the autumn session. Under the Electricity Regulation Act 1999, the production of nuclear energy is prohibited. There is, however, no ban on the consumption of nuclear energy. Since 2012, Ireland has been increasingly interconnected with the British grid. We are currently importing energy from mixed sources, including nuclear energy.

Resistance to nuclear energy is nowhere near as strong as it was in the 1960s when public opinion put paid to Des O'Malley's courageous project at Carnsore Point. I am one of the Woodstock generation. Little did we know when we stopped the project at Carnsore Point that the plant at Moneypoint would be built and little did we know about global warming or climate change.

Ireland is committed to a target of achieving 70% renewable energy by 2030, but how many of us believe that can be attained? Each day last week, more than 60% of electricity was generated from gas. The Kinsale gas field is almost exhausted and further offshore exploration is being ruled out. Interestingly, the State has turned its back on important LNG terminals, as I, being a Kerryman, know only too well. An over-reliance on wind power is turning our beautiful rural landscape into a forest of ugly windmills. In my county of Kerry there has been an inexplicable rush to facilitate planning for ever bigger and uglier wind farms, with many now being sited in built-up suburban areas.

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Many people understandably fear nuclear power. They immediately think of Chernobyl or nuclear weapons. Nuclear weapons are a travesty of human endeavour, but they have nothing to do with nuclear power. We are now in an era of smaller, modular nuclear reactors. They are safer and create less waste than the reactors that were built in the past. In fact, some of these new models can reuse the waste they produce and create more power from it. They are less costly and quicker to build than was previously the case. There are several Stone Age nuclear reactors just a few miles across the Irish Sea from Dublin. It is very likely that Britain and most European Union countries will utilise the smaller nuclear modules in the next decade.

In addition, science is on the cusp of making nuclear fusion a reality. It is much safer and more efficient than nuclear fission. It is the future. The first prototype is currently under construction in southern France. The Citizens' Assembly on climate change and the Joint Committee on Climate Action inexplicably failed to properly address the option of nuclear power generation. It has transformative potential in the context of how we can achieve climate change targets. It would add to what can be achieved through the use of renewables and would make zero emissions a real prospect in our time. A debate on this matter is needed. As Franklin Delano Roosevelt stated, we have nothing to fear but fear itself.

An Cathaoirleach: I thank the senior Senator from County Kerry for his interesting contribution.

Senator Sharon Keogan: I hope the junior Senator from County Meath will be allocated the same amount of grace. Some Senators will be aware that the largest religious minority in Iran is the Baha'i faith. Many people across the country know members of the Baha'i faith who live in their community. Senators may be aware that members of the Baha'i faith who live in Iran are severely persecuted simply because of their religion. The UN and most human rights experts agree that the persecution of Baha'i people in Iran is one of the most obvious cases of state-sponsored persecution. Any doubt that the persecution of Baha'i people in Iran is systematic and state-sponsored has been erased by the recent upsurge in their arrest, conviction and imprisonment. It was always the case that between 50 and 100 Baha'i people were in prison in Iran but in the past few months, as Iran battles a severe Covid-19 resurgence, the Iranian authorities have begun to arrest and imprison more Baha'i people. In recent weeks, at least 80 Baha'i people have been targeted and subjected to arbitrary arrest, interrogation and conviction on trumped-up charges. Some of them have been sent to prison, while others have been convicted and are at home in terror, waiting to be summoned to serve their sentences. Among those arrested is an elderly man who will struggle to survive Covid-19 if he contracts it in prison. Also affected are a couple who are caring for their daughter who has cancer. They are terrified that there will be no-one to care for their very sick daughter if they are summoned to prison at the same time. They are worried because they know that could easily happen, having previously seen such things happen to other Baha'i people.

For me, the statistics in respect of the ramping up of persecution of Baha'i people in Iran are more than numbers because I have family in Iran who are members of the Baha'i faith. When I read about Baha'i people being arrested and imprisoned, I fully understand how arbitrary and religiously motivated the arrests really are and I know there is a chance that the next person arrested might be a member of my extended family. The simple fact that members of my extended family who live in Iran are of the Baha'i faith is enough to have them arrested and imprisoned.

None of my family members has committed a crime, but nor had any of the 80 Baha'i people who were arrested in recent weeks. These people are being persecuted simply on the

basis of their beliefs. The Baha'i people who are being arrested and imprisoned are ordinary people. They are not trying to overthrow the regime or cause trouble in their society. Rather, they simply want to live their lives. All they are asking for are ordinary human rights.

I wish to highlight this issue with the Minister for Foreign Affairs and Trade, Deputy Cooney, and the Iranian ambassador to Ireland. I am asking the Members of the House to speak up on this issue and shine a light on the persecution of members of the Baha'i faith in Iran.

Senator Mary Fitzpatrick: I ask the Deputy Leader to ask the Minister for Housing, Planning and Local Government, Deputy Darragh O'Brien, to bring forward an affordable rental scheme early in autumn. Ensuring that the housing crisis is tackled is a key objective of the Government. The issue of supply is fundamental to achieving that aim.

11 o'clock

Critically, the State must address the issue of supply. The commitment of Fianna Fáil, the Green Party and Fine Gael is to use public land to deliver public housing. Key to that objective is an affordable rental scheme. A prime example of the barriers to delivering affordable rental is a site in my own constituency, O'Devaney Gardens. For those who do not know it, it is a 14-acre site less than 5 km from O'Connell Street. It is zoned and serviced for housing. It has not only public transportation but electricity, water and sewerage. It has lain derelict for ten years more or less. As a city councillor, I and my colleagues fought to have public housing delivered on public lands. Unfortunately, Fine Gael would not provide full funding for the development of that site and Sinn Féin wanted to give away 50% of it to a private developer. Fianna Fáil councillors with colleagues from the Green Party, Labour Party and Social Democrats did a deal last year that will deliver 80% social and affordable housing on that land. Some 30% of it has the potential to be affordable rental housing. We need the Minister for Housing, Planning and Local Government to bring forward an affordable rental scheme that will allow Dublin City Council to move on with Tuath and Clúid, the two approved housing bodies, AHBs, that have been selected, and make it a reality. There is potential for 824 homes on this site. The deal we did will not only deliver homes but a community centre, local employment and apprenticeship opportunities. All of that development is public and will provide good quality, sustainable public homes. I ask the Deputy Leader to ask the Minister to bring forward the affordable rental scheme.

Senator Aisling Dolan: I welcome the just transition retrofitting initiative. A number of local authorities in the midlands and Galway are putting forward funds to retrofit houses in areas affected particularly by job losses in respect of Bord na Móna and ESB. I am looking forward to the 60 homes in Ballinasloe that are going to be retrofitted and how this will impact on the cost of heating. There is a lot of fuel poverty in that area. It will be great to see those costs reduced.

I welcome the investment yesterday of €4.5 million into greenways, especially the Shannon monastic greenway which is going out to Shannonbridge and the Loughrea greenway from Tarmonbarry to Athlone. It is great to see. In particular I welcome the Transport Infrastructure Ireland focus on the route from Dublin to Galway and perhaps further on. It is a priority and a focus for this Government to achieve. The office for the Athlone to Galway section, which is the next priority, is located in Ballinasloe. Public consultation for the whole section from Athlone to Galway city will be open from 10 August. I encourage people with any interest in how important it is to have greenways in our area to consider submitting a consultation. Two

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venues I would like to highlight in particular are the Shamrock Lodge in Athlone from 11 a.m. to 8 p.m. on 10 August and the Shearwater on 11 August from 11 a.m. to 8 p.m. This will be a public display, so engineers based in Ballinasloe will be putting it out in many locations. It can be seen in local authority offices, particularly in Ballinasloe, from 17 to 21 August. I encourage people to make submissions. It is important to have greenways but to do it by consensus and to have something that is of benefit to all.

Senator Elisha McCallion: I welcome the fact that tomorrow we will have the first meeting of the North-South Ministerial Council. It is a very important meeting, as everyone will agree, and an important forum as part of the all-Ireland framework as together we try to deal with the many issues that face us on an all-Ireland basis. Not least of those is the current pandemic and what seems to be the strong possibility, as we are hearing from Europe, that we could be dealing with a no-deal Brexit come January. It is alarming to hear such reports being leaked from Europe. I note the briefing document that the Minister, Deputy Coveney, referenced yesterday. It is difficult to understand how we are going to come through this pandemic with the fear of a no-deal Brexit. We should all be concerned about it. I am especially concerned for the 300 mile stretch of the Border constituencies that without a doubt will be some of the worst impacted in both scenarios. I ask that the Deputy Leader consider reconvening the Seanad Special Committee on the Withdrawal of the United Kingdom from the European Union to bring back immediate reports as to how the country will be affected. The reports we have had previously were very sound but they were done in the absence of this pandemic. I ask that we give immediate consideration to what is going on in an all-Ireland context with a specific focus on Border constituencies.

Senator Erin McGreehan: I echo the sentiments of Senator McCallion on the North-South Ministerial Council and the special committee on Brexit. I want to raise the issue of the stockpiling of medicines. The global pandemic has placed great strain on the lives of many people over recent months. We have seen heroic work by those on the front line in the health sector. The Oireachtas Special Committee on Covid-19 Response has heard evidence from nursing, medical and healthcare professionals about how unprepared we were, including the lack of personal protective equipment, PPE, and the lack of supports to nursing homes.

Two weeks ago the Minister, Deputy Eamon Ryan, was with us and we passed the National Oil Reserves Agency (Amendment) and Provision of Central Treasury Services Bill 2020. It provides that Ireland must have a 90-day supply of oil as part of a national strategic stockpile so we can respond to an emergency. However, we have no stockpile of medicine or PPE. The Irish Pharmacy Union sent us information this week stating that 97% of pharmacists report an increase of medicine shortages over the past 12 months and 92% of them believe it is going to get worse next year. A stockpile of medicines may be more important than a stockpile of oil. Concerns were raised by pharmacists about medicine shortages in recent days. Members will also have received a report from David Delaney, chairperson of Medicines for Ireland, the Irish pharmaceutical trade association, which supplies the majority of medicines to the HSE and patients directly. It has identified significant risks to the supply of medicines associated with a no-deal Brexit.

We need to heed the warnings because all of us have family, friends and constituents who are on life-saving medication. We must ensure that they are protected. I ask the Deputy Leader to consider holding a debate on the issues in the autumn. I will be in touch with the Minister for Health on the matter myself. It makes sense to examine whether Ireland should have a national medicines reserve similar to those in the UK and the USA. If Covid has taught us anything, it

is that we need contingency plans and to be prepared for emergencies.

Senator Mary Seery Kearney: Today is World Day Against Trafficking in Persons. It will probably be a surprise to most people as they go about their normal lives that no matter where they are in the country, be it in a rural or urban setting, they are probably in close proximity to someone who has been or is experiencing being trafficked. Trafficking does not follow typical patterns or even a stereotype of victims. It is not all about sex trafficking or what occurs in brothels. Its participants are not people who are other to ourselves.

We can all be unwittingly complicit in benefiting from people trafficking in the services we procure for our businesses and homes. While an offer of an organised service at a domestic level may appear to be extremely reasonable, what is the real cost in human suffering? Are the workers working voluntarily? Do they show signs of distress? Are they working long hours? Where do they live? Can they move freely? Are they being disciplined harshly? Are they having fines imposed on them? We have seen cases go through the Workplace Relations Commission in recent years where people have been subject to domestic abuse, trapped in homes, paid a pittance or fined for infractions. We have even had people being made to be pay for the balance of their contract when they have a desire to return home.

Do we as a society inspect or consider the supply chain for our cheap goods, cheap clothes, or the cobalt in our mobile phones? Do we consider the misery that was incurred in our latest acquisition? It is absolutely reasonable and fair that we have a national conversation that slavery should stop. We all have a duty a duty to become sensitised to and aware of the past, our attitudes, our inherent racism and the inbuilt prejudice that we all have. While doing so, we also need a national conversation to challenge the slavery from which we are benefiting today. I refer to the small choices we make in the goods and services we buy. The Seanad is the perfect forum for this conversation and I ask the Deputy Leader to accommodate that in the schedule.

Senator Ivana Bacik: I join with Senator Seery Kearney in marking World Day Against Trafficking in Persons. I also second the proposal from Senator Ó Donnghaile to amend the Order of Business to call in the relevant Minister to debate with us and explain the appalling conditions in the Skellig Star direct provision centre and to explain what it is proposed to do, urgently, about those conditions. As Senator Wall said, Senator Hoey raised this issue yesterday, and all of us who have been reading the reports have been distressed and concerned these appalling conditions. Yesterday, I wrote to the Ministers concerned, Deputies McEntee and O’Gorman, asking them to address this issue urgently but I have not yet received a reply. The Labour Party supports the proposed amendment, which I formally second.

I also echo the words of Senator Craughwell on disability and join with him in commending the Enough is Enough group, which staged a very effective event outside the Convention Centre yesterday. The group has done a great deal to highlight issues facing persons with disabilities. Like Senator Craughwell, I call for a debate on this issue in the Seanad to be held urgently, particularly in light of the disturbing findings reported on the “Morning Ireland” programme today regarding 5,000 children having been waiting longer than the law permits to have their needs, such as those associated with autism, formally assessed before they can access public health services.

Anyone who has had any engagement with the assessment services will be well aware of these dreadful waiting times, but it is concerning to see it set out that the average waiting time is 19 months, despite the stipulation in the Disability Act 2005 that assessments must be com-

pleted within six months. Children's lack of access to services, and the consequent serious effect upon the conditions from which so many children suffer, are serious issues. We had some very distressing reports about this on the "Morning Ireland" programme as well.

Senator Malcolm Byrne: I join with Senator Ó Donnghaile in hoping we will receive an update on this issue. There was consensus in the House yesterday regarding concern at what was happening in Cahersiveen. It is important, therefore, that we receive an update on that situation.

I support the re-establishment of the select committee on Brexit. If we had been asked six months ago what issue we would have been debating the most in this House, we would have said Brexit. The reports today highlight how important it is that this country is prepared to deal with the possibility of a no-deal Brexit. I refer to the impact on Border communities, but also on trade, agriculture and transport. I am glad that there are commitments in the programme for Government to ensure that our ports, and particularly Rosslare Europort, are ready for Brexit.

I would also like for us to focus on an aspect of Brexit that is both a challenge and an opportunity and that is education. It is essential that we maintain bilateral education relationships between Ireland and Britain. There are many research collaborations and much good work has been done in this area by the British Irish Chamber of Commerce and we must look at ways to ensure that aspect continues to be facilitated. The Erasmus programme is one of the most successful European programmes ever and it also provides opportunities for Ireland. We must look to the post-pandemic period, when students will be travelling again, because many more students from continental Europe will be looking to come and study on an English-speaking island.

We must also think about the longer term and that means fostering closer relationships between Irish higher education institutions and those in continental Europe, and also in investing in modern European languages. The Department of Education and Skills has a language strategy and we must ensure that children from primary school level right through the education system have access to learning modern European languages. In the context of the Brexit discussion, therefore, the Brexit select committee should not only deal with immediate issues that will arise, but, if there is a no-deal Brexit, it should also explore what educational opportunities that situation may present for Ireland two to three years down the line.

Senator Róisín Garvey: I will speak today on greenways. As someone who has been working in the area of sustainable travel for many years and campaigning and writing letters endlessly seeking money for such things, I am very happy with yesterday's announcement of funding. I could not let this opportunity go without speaking on this development. Some people think of greenways as a place where people go for a bit of a cycle or just where tourists go. A greenway is far more than that, however. It is the very tool that is missing in rural Ireland to restitch the fabric of communities. I have visited all the existing greenways, located in the midlands and counties Waterford, Kerry, Limerick and Mayo several times. I wish for the day to come when we will have them all over Ireland and this is a good step in that direction.

This will create thousands of jobs and bring the instant revival of villages and towns. On any greenway one might visit, it is possible to see once-derelict villages now thriving. Kilmac-thomas was dead but now it has no derelict buildings and 30 people are working in the local café. This is what can happen when people work together, including landowners, engineers, community groups and businesses. When they come together, success is golden. More than

2,000 people use the Waterford greenway every day. The value of this type of tourism is evident because people who come on a bike spend four times more money than someone who comes in a car and at least 20 times more than people who come down on buses.

It also spreads out the benefits to the wider area. In County Clare, for instance, 1.2 million visitors could be coming to the Cliffs of Moher, while Miltown Malbay, Corofin and Kilfenora may be struggling. That is not the case, however, with a greenway, where every town and village along the route benefits. In addition, research from Mayo and Waterford shows that people will look for accommodation up to 60 km away from a greenway and that spreads the benefits around. Even if an area is not directly on the greenway, therefore, there will still be great opportunities for areas anywhere close to it.

I wrote an amendment to the Green Party policy on rural development and it is called a farmers first policy. That is key to the success of greenways. We must ensure that we work with landowners. Greenways do not have to stick to the straight lines of the old railways. It is always good to have a bit of meandering and the first people that need to be engaged with in that context are the farmers. We must ensure that they will have full indemnity and proper fencing, and then farmers will see the benefits that will accrue to them from greenways, including keeping young people on the farms. That is very important for us in rural Ireland.

Senator Tim Lombard: I support the call for the creation of a select committee on Brexit because I think that is an important issue. My colleague spoke about the education issues which we need to look at. From the perspective of agriculture, we need some idea about how Brexit, especially in its later stages, could have a major impact on the agriculture industry.

I spoke yesterday about local government and the need for reform. I was amazed by the response. I got many calls specifically regarding what is happening with our recycling and bring centres and the lack of joined-up thinking in this regard. I referred yesterday to the lack of town councils having a major effect on how our communities are working, as we do not have local input from town councils on local issues. I heard reports this morning that a civic amenity site in Bandon had closed because of a lack of staffing. A bring site also relocated out of Bandon because of dumping and another similar site relocated out of Dunmanway for the same reason.

We need a more local focus on what is happening on the ground. We have moved big government into local government issues, so we do not have that local focus. We must go back, therefore, to one of the models that worked, and that was town councils. Regarding bring sites, our attitude seems to be that we will state there is an issue with dumping and then close the sites in response. That is totally inappropriate.

We now have a staycations policy, with many people coming to west Cork and yet we are closing our bring sites. That is not good news for Ireland or local government, and that is not how we should be doing things. We need to find solutions, rather than just taking the easy option by closing bring sites and walking away because of the minority having a major effect on the majority. This debate, therefore, regarding local government and reform of local government is an important one. It is amazing how much society has changed in the past six months. People now want to have a real input into what happens in their local community and they want local power brought back to local communities.

Senator Fiona O'Loughlin: We had International Bog Day on 26 July. As someone born and reared on the Bog of Allen, I am proud to highlight our wonderful bogs. Our attitude to

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our bogs has changed in the recent decades. They are now seen as areas with beautiful plants, lovely wildlife and landscape and as greatly important in countering climate change. In the past our bogs were seen as sources of fuel and employment. In Kildare, since Bord na Móna was set up in 1946, we have had thousands of people employed by the company in areas like Kilberry, Rathangan, Allenwood and Carbury. Much-needed jobs were provided and the local economy very much depended on Bord na Móna jobs.

Over the past number of decades, that dependence has reduced significantly and we currently have fewer than 400 people working for Bord na Móna. It is very important we do everything we can to support the existing workers who will lose their jobs because of the path Bord na Móna has had to take as a result of our climate change responsibilities. It is very important we have the opportunity to discuss that with the Minister. I know a number of other Senators are also from counties affected by that so I ask the Deputy Leader to call the Minister in to discuss the issue.

We have the just transition fund, which is very important, along with commitments to retrofitting to help support these areas and workers. One particular application for just transition funding I want to highlight is for the Umeras bog between Rathangan and Monasterevin in County Kildare. It covers 600 acres and it could be a very valuable amenity, providing much-needed employment in the Rathangan-Monasterevin area. It will blend very well with the proposed blueway, the Ballykelly distillery and the greenway. I welcome the funding of €96,000 for the Allenwood section, and all of this will work very well together.

Senator Michael McDowell: Yesterday, I mentioned a request made to the Deputy Leader to have the Minister with responsibility for culture come here to address the subject of the removal of statues from outside the Shelbourne Hotel. I was slightly disturbed to see the ambivalent remarks made by the Lord Mayor of Dublin, who is in the same party as the Minister, about the statues. There is no slavery at all suggested with these statues and the leg ornamentation shown on them is simply that. There is no slave involvement at all so I presume they will be put back.

As we are discussing buildings in the vicinity, I ask the Deputy Leader to invite to the House the Minister of State, Deputy Patrick O'Donovan, who has responsibility for the Office of Public Works. We spent €18 million restoring Leinster House recently, and a very good job was done, but the south facade is now showing major staining. It looks like iron oxide becoming visible because of what has been done, and it is starting to look increasingly unpleasant. Over €1 million was spent on the stonework but I ask Members to go out on Leinster Lawn and take a look at it, as it is deteriorating badly. I would like the Minister of State in charge of the Office of Public Works, Deputy Patrick O'Donovan, to come to the House and explain to us precisely what has happened and what is proposed to be done to stop that side of Leinster House becoming increasingly unsightly.

Senator Jerry Buttimer: I join Senators Byrne and Lombard in asking that consideration be given to re-establish the Brexit committee. In speaking about something dear to the Cathaoirleach's heart, Senator Lombard spoke about the need to have some connection between the Seanad and local government.

It is our last week in session but it is important that the Government, in conjunction with the acting Chief Medical Officer and the National Public Health Emergency Team, NPHE, reconsider the capacity concerns around people attending local championship matches. I know

Senator Cassells raised this yesterday or Tuesday. It is important that wise heads look at these capacity matters. For example, I attended a club championship match on Saturday night in Páirc Uí Rinn, which has a capacity of almost 16,000. It could easily host more people safely than were there last Saturday night.

Watching the television footage of different matches, we can see there is a need to be wise about capacity and increase it. For example, our club will get six tickets for next Sunday's championship match, which is ridiculous. It must be changed, and I say this cognisant of public health matters and the possibility the virus may continue to spread. We should be able to allow people who are volunteers in our sporting clubs to attend these matches. The League of Ireland is starting tomorrow night. We could allow for an increase in attendance and I ask that consideration be given by the Government, NPHET and the acting Chief Medical Officer to increasing attendance at matches.

Senator Shane Cassells: Earlier this week, the Minister with responsibility for children, disability, equality and integration, Deputy Roderic O'Gorman, told fellow Ministers he was undertaking a root and branch review of childcare services to support the delivery of affordable and high-quality school-age early learning. I sincerely hope this Minister grasps that matter. In addressing this review, the Minister stated "the review is to look at the existing structures that administer childcare in the country" and "these have developed in a very *ad hoc* manner, with county childcare committees and so on". Before the Minister undertakes any review, he would want to be briefed on the county childcare committees' defined remit in supporting the roll-out of the national childcare policy, as directed by various Departments from Billy to Jack over the years as Governments moved them around, with very little funding or pay. That is instead of having well-funded quangos set up as middle men. I sincerely hope this well-funded system is delivered and when it comes, the Minister will start with administrators on the ground, who have delivered complex programmes across the country with little reward. They do not need these ill-judged remarks. I look forward to debating the report with the Minister in this House.

Senator Lynn Boylan: I use today's Order of Business to ask the Deputy Leader of the House if she supports the comments of her party colleague, Deputy Marc MacSharry. Deputy MacSharry, on a salary of approximately €96,000, has accused public servants of laziness and using the Covid-19 crisis as an excuse to lie on the couch and watch box sets. Apart from the ignorance and offensiveness of those comments, it is worth remembering that those who are working from home are doing so because they are following public health advice. Public servants, like everyone else, have had to come to terms with sudden changes imposed by the pandemic measures. They have had to juggle childcare, a lack of appropriate working space, poor broadband and worrying about family members who may have underlying health conditions or elderly parents. For a member of the Government party to single out one group of workers and talk about them with such contempt is deeply offensive.

I have spoken to public servants who were very hurt by the Deputy's comments. These public servants have had to get up before daybreak in the early hours of the morning to get work done before children woke up. I spoke to others who are living in rented accommodation and sharing with individuals. They have had to work from bed as it is the only quiet place they have where they can work.

Every person on this island had to make sacrifices and some have made more than others. As a country we succeeded in suppressing the virus through collective action. For Deputy Marc MacSharry to insult one group of workers is to undermine that solidarity. Perhaps it was the

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Deputy who was catching up on box sets while the public and private sector workers kept this country running during the lockdown. He should make a public apology on the matter and I hope his party colleagues in this House call on him to do so.

Senator Ollie Crowe: I thought the Cathaoirleach was forgetting about the boy from Galway.

An Cathaoirleach: I could not forget you.

Senator Ollie Crowe: I raise the matter of the reopening of pubs on 10 August. To state the obvious, public health and safety is paramount for both staff and customers so the guidelines must be followed to the letter of the law. Bars serving food, as the Cathaoirleach will be aware, have been open since 29 June. This has gone reasonably well. Premises which have not followed the guidelines should be closed forthwith.

I facilitated a high-level meeting with the Taoiseach and senior officials in his Department on Friday last to give them a better understanding of the challenges that remain. As Senators will be aware, pubs in rural areas will have been closed for 20 weeks on Sunday. Behind every business and pub is a family, many of whom have contacted me from around the country. In excess of 60% of licensed premises have not opened since 15 March. Shebeens have opened and house parties have taken place nightly, certainly in Galway city and county. These are a greater public health risk than any pub in a rural village. We are the first to close and the last to reopen. Thankfully, there are only six people in hospital with Covid, following the peak of 900. We are ten days away from opening. Fáilte Ireland is meant to issue guidelines and we could do with them today or tomorrow. I ask the Deputy Leader to request that the relevant Minister issue guidelines to pubs in rural areas. These should be enforced to the letter of the law.

Senator Paddy Burke: Like Senator Garvey, I welcome the funding of €95,000 to conduct a feasibility study to connect the Westport, Castlebar and Ballina greenways. That would be a 60 km route, which would be fantastic for the county, linking the three greenways already in place.

I ask that the Deputy Leader to ask the Minister with responsibility for transport to come to the House in the not too distant future to discuss issues with Iarnród Éireann, particularly level crossings. I would like to raise an issue with a level crossing, with which the Deputy Leader will be familiar. The level crossing at Kilnageer on the Belcarra-Breaffy road just outside Castlebar is operated by a manual gate. The local residents recently addressed Mayo County Council in relation to some very serious near misses in the area. The gates have to be closed after each vehicle passes. While there are flashing red lights, drivers are supposed to close the gate after crossing the line. This is dangerous and confusing for motorists. I ask the Deputy Leader to request that the Minister come to the House to give an update on the number of level crossings in the country. The level crossing at Kilnageer could be modified, whether by automating the existing gates or constructing a bridge over the railway line. This needs to be done and I ask that the Minister come to the House.

Senator Eugene Murphy: Tús is a work placement scheme which aims to provide work opportunities for those who are unemployed, while also assisting in providing certain services to benefit communities. Currently, there is a restriction on the random selection process for those on jobseeker's allowance as they are engaging with JobPath. Removing those restrictions would significantly increase the number of participants available to Tús, resulting in a

higher number of jobseekers gaining the opportunity to get involved in their local community. Companies are welcoming the new July stimulus package of 3,000 extra Tús and community employment places but are worried that with the present restrictions, they will find it difficult to fill the current quotas in place, not because of lack of eligible participants but because of the rule which states that those currently engaging with JobPath are not available for random selection for Tús. Change is needed here, especially in the current climate as unemployment figures are high and community groups are struggling for assistance. One year is not long enough for most individuals on the Tús scheme. By the time the participants have been trained and community groups become familiar with them, it is time for them to leave the scheme. Three years is also a long time for a person to wait before becoming eligible to re-enter the Tús scheme. The period should be reduced to one year. If persons have not found employment in the year after Tús, they should have the option of coming back to Tús to gain more assistance and experience. On the rural social scheme also, if the six-year rule continues, we will not be able to fill all of the places on the scheme. The positions created under the stimulus package are important. I ask the Deputy Leader to take this on board and change those rules as quickly as possible. I raised this issue briefly with the Minister yesterday.

Senator Martin Conway: I echo and support the calls for the re-establishment of the Seanad Select Committee on the Withdrawal of the United Kingdom from the European Union. The previous Seanad led the way on discourse and discussion on Brexit. This issue has far from gone away, although it has probably been sidelined as a result of Covid. I certainly believe this Chamber has a significant role to play in that regard.

I also echo and agree with calls for the Minister with responsibility for disability to come into the House. I was concerned about delays when I heard about them. They were discussed on “Morning Ireland” this morning. It is totally unacceptable. We made considerable progress on disability when we had a Minister of State with specific responsibility for disability at Cabinet, namely, former Deputy Finian McGrath. We made progress by ratifying the UN Convention on the Rights of Persons with Disabilities, CRPD. I am not sure how disability fits into the Ministry to which it is attached but I am willing to keep an open mind. It would be appropriate at an early point in the next term to have the Minister with responsibility for disability, Deputy Roderic O’Gorman, in the House to give us his view on disability and the uphill battle that must be fought to create an equal society. I look forward to that debate and engaging with the Minister, Deputy O’Gorman. I have no doubt the Minister is sincere in his endeavours, but we need to see what his roadmap is. There are commitments in the programme for Government on disability, one of which is the establishment of a joint Oireachtas committee to monitor the implementation of the UN Convention on the Rights of Persons with Disabilities. I would like to know when this committee will be formed and I would like more details on its specific mandate. I look forward to that debate in September.

Senator Robbie Gallagher: I raise the issue of medical cards for those who are terminally ill. We are all aware of a recent case of a man who was diagnosed with stage four prostate cancer having his medical card removed and reinstated, not once but twice. Let us pause for a second and imagine what it must be like to be told by a consultant or doctor that one has cancer and is terminally ill. That must be absolutely devastating news for the individual concerned to get and it must also be heartbreaking and devastating for the person’s family. As we are all aware, the process of trying to obtain a medical card can be trying and stressful at the best of times, but this practice of reviewing medical cards for terminally ill patients is cruel and heartless and should cease.

Senator Gerard P. Craughwell: Hear, hear.

Senator Robbie Gallagher: As far back as 2014, a promise was made that this practice would cease. That was six years ago and it continues. I have written to the Minister, Deputy Stephen Donnelly, to ask him to cease this practice immediately. I ask that the Deputy Leader on behalf of the Members of the House also writes to the Minister, Deputy Donnelly, to request that this cruel heartless act of reviewing medical cards for people diagnosed with cancer and who are terminally ill cease immediately.

An Cathaoirleach: I want to clarify something on the Order of Business for the House. No. 1, motion regarding earlier signature of the Financial Provisions (Covid-19) (No. 2) Bill 2020 will be taken on conclusion of No. *a1*.

Senator Lisa Chambers: I will deal at the outset with the issues surrounding Cahersiveen and the direct provision centre. I hear the calls from Members, including from Senator Ó Donnghaile and his party colleagues, to have a debate in the House. I have asked for the Minister for Justice and Equality to come before the House. We are still in discussions with her office on this. The difficulty posed is that there is a lot of legislation to get through here and in the Dáil. The Minister will be at the meeting of the North-South Ministerial Council tomorrow and will not be available. We are trying to get time. As it stands, I cannot give a commitment to the House that she will attend today. I am just not in a position to do that.

I have received an update on the issue. Departmental officials were on site yesterday to inspect the facility. I believe that issues raised with regard to water and food have been addressed and they are exploring the possibility of additional social supports on site and counselling for residents. I fully accept the situation there is less than satisfactory. Everyone in the House agrees on this point. I hear the calls from Members to have the Minister come before the House but I am just not in a position to give that commitment on her behalf at this point in time.

Senator Dooley raised the issue of water and sewerage infrastructure for rural communities and I very much agree. There are sites in Mayo where raw sewage is flowing into waterways and it does need to be addressed.

Senator Craughwell raised the issue of disability and the fact there is a Minister and a Minister of State. I believe having a Minister and Minister of State on the topic is a good thing but Senator Craughwell does not agree. I commend the comments by Ann Marie Flanagan and Martin Tobin that we do need to hear from and listen to people with disabilities and not just the service providers. I fully support the call from Senators Craughwell, Conway and others that we have a debate in the House on how we can become a more inclusive and equal society. That is something all Members would certainly support.

Senators Wall and Gallagher raised the issue of medical cards. I fully support it and certainly I will raise it directly with the Minister. If somebody is terminally ill the last thing he or she should be doing is fighting for a medical card. It should just be issued without any question.

Senator Flynn also raised the issue of Cahersiveen and the issue of equality and people living in poverty. She has been very consistent in her comments in the House since she has taken up her seat to advocate and fight for those in less fortunate positions. We all support the sentiments raised by the Senator.

Senator Kyne raised the issue of rural transport. I agree with him that we need to look after

public transport in our cities, and we always welcome infrastructural development and investment in public transport, but as a rural public representative I fully appreciate the issues he raised with regard the lack of rural transport and the very real battles we have to go through just to get basic bus routes. I would love to see the western rail corridor developed and have a rail link between Galway and Mayo. It would be quite transformative. I am glad to see a commitment in the programme for Government to increase spending in public transport.

Senator O’Sullivan raised the issue of nuclear energy. He has put the cat among the seagulls today in raising the issue. I will certainly take those comments on board.

I am not fully briefed on the particular topic Senator Keogan raised with regard to Iran and the Baha’i faith. I am sure she has made the case today and it will be brought to the attention of the Minister for Foreign Affairs and Trade and the Iranian ambassador.

Senator Fitzpatrick raised the issue of an affordable rental scheme, in particular the O’Devaney Gardens site. I am pleased to say having an affordable rental scheme is in the programme for Government. I know the Minister is committed to bringing forward legislation on this issue at the earliest possible opportunity.

Senator Dolan raised the issue of the just transition retrofitting. She has done a very good job of representing Ballinasloe. Her video inviting people to staycation in Ballinasloe was possibly overshadowed by Deputy Bruton’s video and the imagery contained within. Nonetheless, Senator Dolan’s video was equally impressive. She also raised the issue of greenway investment. As somebody from the area of the Great Western Greenway I can certainly account for the huge success it has been. Senator Garvey mentioned the spin-off for surrounding areas and said it can be felt up to 60 km away. I can certainly attest to this. It has been transformative for rural communities with regard to small businesses popping up to support the tourism coming through because of greenways.

Senator McCallion raised the issue of the North-South Ministerial Council meeting tomorrow. I echo the sentiments that it is very important it is meeting tomorrow particularly in light of Brexit, which has not gone away. It has been pushed to the back burner a small bit because of the pandemic but it has been trickling on all the same and it is something we will certainly have to deal with. I fully support the request by numerous Senators that we re-establish the select committee on Brexit in the House. It certainly would be very welcome and it should happen. I will raise the issue today at the meeting of the Committee on Procedure and Privileges with the Cathaoirleach. I have no doubt it will be supported by all members of that committee.

Senator McGreehan raised the issue of a national medicines reserve. It is a very good idea and I am sure the Minister for Health will take it on board. The pandemic has exposed the shortcomings and weaknesses in our health system, which is a good thing, while it has also shown the huge strength and resilience of our health system. There are things we can learn from the pandemic as to how we do things better and the supply of medicines is certainly something we can look at.

Senator Seery Kearney spoke about today being world day against the trafficking of persons. Senator Bacik also commented on this issue. Senator Seery Kearney has been very eloquent in her commentary that we all need to be careful we are not complicit in supporting modern-day slavery by the choices we make in terms of purchasing services and goods. It was a very poignant point to make for Members of the House and beyond.

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Senator Bacik raised the issue of assessment for autism. Quite frankly, it is disgraceful that any child would be waiting 19 months. Actually, it is disgraceful they would wait six months. That particular goalpost should be narrowed and made smaller. If it is to be early intervention it should happen early and 19 months is just unacceptable. We should do everything we can in our power as public representatives to bring this figure right down. Six months is the maximum wait and we should aim to have it much lower. That is where we need to get to.

Senator Byrne also raise the issue of Cahersiveen direct provision centre, the Brexit select committee and the impact of Brexit. He has done a lot of work on the Rosslare Europort. I agree with his sentiments on the educational opportunity. Although it poses a challenge, I know from my brief in the last term as Brexit spokesperson for the Fianna Fáil party that there are opportunities in education. The link between the UK and Ireland and how we work together in education has been very positive. I see no reason we should not continue this. If we have to be imaginative in how we facilitate this continued engagement let us be so.

Senator Lombard raised the issue of Brexit and the impact on agriculture. We are all very well aware of the difficulties posed in the agriculture sector from Brexit. There are no easy solutions to this. We just need to work with our agricultural sector to try to protect it. He also raised the issue of local government reform. Two thirds of us are elected through local councillors and we hear directly from them about the issues regarding local government reform and the need for it. I certainly support it.

Senator McDowell raised the issue of the removal of statues outside the Shelbourne Hotel. I agree with the Senator that we should not seek to erase history. We also need to be well informed about the history of statues and other emblems and markings so we are correct in our assessment of them. The letter he spoke about shows that sometimes we can be very quick to move on things without really knowing what we are speaking about and let that be a lesson to all of us.

Senators Buttimer and Cassells raised the issue of capacity at local championship matches. I agree that now we have been dealing with the pandemic for quite some time we need to look at the one-size-fits-all approach to these issues. Senator Crowe raised the issue small rural pubs. We have the space now to look at that. A really large venue can definitely accommodate more than 200 people safely. If we can do things safely and with a bit of common sense, I see no reason why that issue cannot be explored further.

Senator Cassells spoke about the county childcare committee and childcare policy. Childcare will be one of the big issues for both the Seanad and Dáil to try to get to grips with in the upcoming term. The pandemic has shown us the importance of childcare and that we cannot reopen the economy while leaving parents without adequate childcare. I certainly support those calls.

Senator Burke raised a local issue in Mayo with which I am familiar. In this day and age, we need to get away from having manual gates at level crossings because it is a health and safety issue. I will be working with Senator Burke and Mayo County Council to try to address the issue.

Senator Eugene Murphy: I had raised an issue.

Senator Lisa Chambers: I apologise. Senator Murphy spoke about Tús and JobPath. There is a particular restriction for those who have access to Tús because of their involvement with JobPath. The Senator is correct in what he has requested, and we should explore it. The

six-year rule is quite arbitrary, and it should be more flexible. There is little point in having someone removed from a rural social scheme or a Tús scheme when there are no other available employments.

An Cathaoirleach: Senator Ó Donnghaile has moved an amendment to the Order of Business: “That a debate with the Minister for Justice and Equality or the Minister with responsibility for children, disabilities, equality and integration on the Skellig Star direct provision centre and the future of direct provision generally be taken today.” Is the amendment being pressed?

Senator Niall Ó Donnghaile: I listened intently to the Deputy Leader and I do not doubt her efforts. However, given the strong feelings and the consensus in the House and the fact that the Minister will not be available tomorrow given that the North-South Ministerial Council is meeting, it is important that a clear message is sent from this House. I will press the amendment.

Amendment put:

The Seanad divided: Tá, 15; Níl, 32.	
Tá	Níl
Bacik, Ivana.	Ahearn, Garret.
Boylan, Lynn.	Blaney, Niall.
Craughwell, Gerard P.	Burke, Paddy.
Flynn, Eileen.	Buttimer, Jerry.
Gavan, Paul.	Byrne, Malcolm.
Higgins, Alice-Mary.	Carrigy, Micheál.
Hoey, Annie.	Casey, Pat.
Keogan, Sharon.	Cassells, Shane.
McCallion, Elisha.	Chambers, Lisa.
McDowell, Michael.	Conway, Martin.
Moynihan, Rebecca.	Crowe, Ollie.
Ó Donnghaile, Niall.	Currie, Emer.
Sherlock, Marie.	D’Arcy, Michael.
Wall, Mark.	Daly, Paul.
Warfield, Fintan.	Davitt, Aidan.
	Dolan, Aisling.
	Dooley, Timmy.
	Fitzpatrick, Mary.
	Gallagher, Robbie.
	Garvey, Róisín.
	Hackett, Pippa.
	Kyne, Seán.
	Lombard, Tim.
	Martin, Vincent P.
	McGreehan, Erin.
	Murphy, Eugene.

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	O'Loughlin, Fiona.
	O'Reilly, Joe.
	O'Reilly, Pauline.
	O'Sullivan, Ned.
	Seery Kearney, Mary.
	Wilson, Diarmuid.

Tellers: Tá, Senators Ivana Bacik and Niall Ó Donnghaile; Níl, Senators Paul Daly and Seán Kyne.

Amendment declared lost.

12 o'clock

An Cathaoirleach: I understand the Deputy Leader has a proposal to make.

Senator Lisa Chambers: In order to facilitate the cleaning of the Chamber, I propose an amendment to the Order of Business to the effect that No. *a1* be taken at 12.30 p.m.

An Cathaoirleach: Is that agreed? Agreed.

Is the Order of Business, as amended, agreed to?

Senator Gerard P. Craughwell: It is not agreed.

Question put: "That the Order of Business, as amended, be agreed to."

The Seanad divided: Tá, 32; Níl, 14.	
Tá	Níl
Ahearn, Garret.	Bacik, Ivana.
Blaney, Niall.	Boylan, Lynn.
Burke, Paddy.	Craughwell, Gerard P.
Buttimer, Jerry.	Flynn, Eileen.
Byrne, Malcolm.	Gavan, Paul.
Carrigy, Micheál.	Hoey, Annie.
Casey, Pat.	Keogan, Sharon.
Cassells, Shane.	McCallion, Elisha.
Chambers, Lisa.	McDowell, Michael.
Conway, Martin.	Moynihan, Rebecca.
Crowe, Ollie.	Ó Donnghaile, Niall.
Currie, Emer.	Sherlock, Marie.
D'Arcy, Michael.	Wall, Mark.
Daly, Paul.	Warfield, Fintan.
Davitt, Aidan.	
Dolan, Aisling.	
Dooley, Timmy.	
Fitzpatrick, Mary.	

Gallagher, Robbie.	
Garvey, Róisín.	
Hackett, Pippa.	
Kyne, Seán.	
Lombard, Tim.	
Martin, Vincent P.	
McGreehan, Erin.	
Murphy, Eugene.	
O'Loughlin, Fiona.	
O'Reilly, Joe.	
O'Reilly, Pauline.	
O'Sullivan, Ned.	
Seery Kearney, Mary.	
Wilson, Diarmuid.	

Tellers: Tá, Senators Paul Daly and Seán Kyne; Níl, Senators Gerard P. Craughwell and Michael McDowell.

Question declared carried.

Gnó an tSeanaid - Business of Seanad

An Cathaoirleach: I ask the Deputy Leader to move the suspension of the House.

Senator Lisa Chambers: For the information of the House, as I had said earlier there were genuine attempts to try to get the Minister for Justice and Equality here. I am pleased to announce that she has made an hour available. Unfortunately, that information did not come through before the vote. We were genuinely working to get that space. I thank the Minister, Deputy McEntee, for making that hour available today.

Notwithstanding the order of the House today, I propose that the House will now suspend for 30 minutes to allow for cleaning of the Chamber. I will bring a proposal once we come back to the House after the suspension.

Sitting suspended at 12.30 p.m. and resumed at 1.05 p.m.

Acting Chairman (Senator Joe O'Reilly): I call on the Deputy Leader to propose an amendment to the Order of Business.

Senator Lisa Chambers: I propose that notwithstanding the order of the House today, proceedings on No. a1 shall be interrupted at 3.15 p.m., whereupon the sitting shall suspend for 30 minutes; statements on the Skellig Star direct provision centre and the future of direct provision, No. a2 on the Supplementary Order Paper, shall be taken at 3.45 p.m., and shall be brought to a conclusion after 60 minutes, with the opening speech by the Minister for Justice and Equality not to exceed ten minutes, the speeches for the spokespersons for each group not to exceed six minutes and the Minister to be given no less than eight minutes to reply to the debate; the

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sitting shall suspend for 30 minutes on the conclusion of the statements; and the proceedings on No. *a1* shall be resumed at 5.15 p.m., if not previously concluded.

Acting Chairman (Senator Joe O'Reilly): Is that agreed? Agreed.

Financial Provisions (Covid-19) (No. 2) Bill 2020: Second Stage

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

Acting Chairman (Senator Joe O'Reilly): I call on the Minister of State to speak and congratulate him formally.

Minister of State at the Department of Finance (Deputy Sean Fleming): I thank the Acting Chairman.

I am pleased to have the opportunity to introduce Financial Provisions (Covid-19) No. 2 Bill 2020 to the House this afternoon. The Bill provides the legislative basis to introduce the tax measures the Government announced as part of the €7.2 billion July jobs stimulus last week.

The plan is the next stage in our response to the Covid-19 crisis and will help businesses get back on their feet, ensuring as many people as possible can return to work in accordance with public health and Government advice. The plan contains a suite of tax, loan and expenditure measures designed to directly support business at all levels of the economy that have been negatively impacted by Covid-19. The plan is the first step in this Government's mission to reignite and renew the economy following the impact of Covid-19. It aims to build on the recovery to date and the measures previously announced with a further €4.3 billion of spending on supports that will have an immediate impact on businesses, employment and economic activity. The overall value of the package, including tax changes and the opening of the €2 billion Covid-19 credit guarantee scheme is €7.2 billion.

Today's debate is focused on the tax measures of the plan that will have a net cost approaching €1 billion. The total value of the tax package is €1.4 billion, but the amendments to corporate tax losses will be cost-neutral to the Exchequer as they are an acceleration of the ability of companies to avail of a relief that exists in the corporation tax code.

Importantly though, this measure will release up to €450 million of liquidity in the current year to companies currently facing significant cash flow difficulties at a point when they most need it. In addition, the employment wage subsidy scheme, EWSS, will cost an estimated €2.25 billion, guaranteeing substantial State support for employee wages through to March 2021.

The Bill only runs to 13 sections so I will briefly go through them individually. Section 1 is the standard definitions section common to Bills of this nature.

Section 2 makes changes to the temporary wage subsidy scheme, TWSS to include individuals who return to work after maternity and other types of leave, those on apprentice and training courses as well as changes to the subsidy amounts payable that the Minister announced on 15 April last. All of these, and other necessary adjustments to the TWSS, were previously announced and have been administered to date by Revenue on the basis of their care and man-

agement provisions.

The section also provides for the EWSS, which will replace the TWSS. It is being introduced as an enterprise support that gives a subsidy to qualifying employers on the basis of the numbers of paid employees on the employer's payroll. The scheme is an economy-wide support and is open to all sectors. The primary qualifying criteria is that the employer must be able to demonstrate that in the majority of cases he or she is operating at no more than 70% in either the turnover of the employer's business or the customer orders received by the employer by reference to the period from July to December 2020 compared with the same period in 2019.

In this regard, given the importance of childcare to the reopening of the economy and also recognising the unique circumstances where the turnover of such businesses would be greater than 70% but the cost base considerably higher, the Government has decided that the key eligibility criteria would be waived for this important sector. The level of subsidy the employer will receive is per paid employee. For every employee paid more than €203 gross per week, the level of subsidy is €203. For every employee paid between €151.50 and €202.99 gross per week, the subsidy is €151.50. A nil subsidy is payable for employees paid less than €151.50 or more than €1,462 gross per week – the latter amount consistent with the eligibility ceiling which exists in the current TWSS. The scheme will be in place until 31 March next year. It is estimated that it will cost €2.25 billion, €1.35 billion in 2020 inclusive of seasonal workers and €0.9 billion in 2021 up to the end of March.

Sections 3 to 5 together, inclusive, a legislative basis for the tax “debt warehousing” scheme announced by the previous Government on 2 May 2020, which is currently being operated by the Revenue Commissioners on an administrative basis. No interest will be charged on the tax debts for the initial Covid-19 restricted trading period or 12 months thereafter. Interest will be charged at the reduced rate of 3% per annum after that. Businesses will also be required to comply with requirements in relation to tax returns for the duration and pay other liabilities such as VAT in full and on time. Otherwise, the normal 10% per annum interest will apply.

Section 6 will add a new interest provision in chapter 5 of Part 47 of the Taxes Consolidation Act 1997, to reduce the interest rate applying to agreed repayments of all tax debt to 3% per annum rather than 8%, 10% or 11.75%, depending on the tax head, where agreement has been reached between the taxpayer and Revenue prior to 30 September 2020. The measure will assist taxpayers in difficulty with their tax returns. I advise them all to check with their accounts and tax advisers in that regard. The purpose of this section is to provide support to taxpayers experiencing difficulty with tax liabilities by reducing the interest rate applying to agreed repayments of all tax debt where agreement has been reached prior to 30 September 2020.

Section 7 provides for the stay and spend incentive, which will incentivise taxpayers to support registered or accredited providers of accommodation or food during the off season, thus providing support to a particularly vulnerable sector that will continue to be constrained by public health limitations. The incentive will provide for a refund through income tax of 20% of the vouched cost subject to a minimum spend of €25, that is, a maximum tax credit of €125 per person or €250 for a jointly assessed couple. This innovative measure will be a valuable off season form of support for the hospitality sector. I look forward to hearing the inputs from Senators on this issue and to a healthy debate through the various Stages of the Bill's passage through the House. The incentive provides relief on accommodation and food, including soft drinks, but not including alcohol. Businesses must be registered or accredited as appropriate and have tax clearance if registered for VAT. Businesses will register with Revenue to participate. This

scheme will cost up to an estimated €270 million in total. It will run from 1 October 2020 to 30 April 2021, including over the Christmas period and the St. Patrick's Day period next year also. It is designed to unlock money people may have saved over recent months and encourage spending in the sector and local economy. I expect the sector to use its creativity and talent to market and ensure the best use of this opportunity for their businesses and customers. In doing so, I believe there will be wider benefits for the economy that go beyond the hospitality sector.

It is important to recall that the stay and spend incentive should not be viewed in isolation from the other, very significant measures announced as part of the plan. The extension of the wage subsidy scheme until the end of March next year and its extension to new or seasonal staff with effect from 1 July this year, the VAT change; the rates' waiver; the reopening grants and the range of other supports will buffer businesses and the economy as we move through the remainder of 2020 and into next year.

Section 8 amends the help-to-buy scheme to stimulate demand from first-time buyers for new houses in the housing market, to encourage house completions and to assist first-time buyers to accumulate a deposit for a new home. The support available to first-time buyers will be increased to the lesser of €30,000, an increase from the current level of €20,000; 10%, which is an increase from the current 5%, of the purchase price of a new home or self-build property; or the amount of income tax and DIRT paid in the four years before the purchase or self-build. The additional relief will be effective immediately and will apply to applicants who sign a contract for the purchase of a new house or make the first drawdown of the mortgage in the case of a self-build in the period 23 July to December 2020. This scheme is in operation as we speak, but we want to put it on a legislative basis. Receipt of the additional relief is not dependent on the completion being before 31 December. It will expire on 31 December 2020. All other parameters of the scheme will remain the same.

Section 9 provides for increases in the allowable expenditure under the cycle-to-work scheme in respect of e-bikes and bicycles. The allowable expenditure will be increased from €1,000 to €1,500 in respect of e-bikes and €1,250 in respect of regular bicycles. The scheme currently allows the purchase of a new bicycle every five years and this will be amended to every four years.

Section 10 provides for a new once-off income tax relief measure that will benefit self-employed individuals who were profitable in 2019 but, as a result of the Covid-19 pandemic, are loss-making in 2020, providing a much needed cash flow boost in the current year. An additional option for farmers in this context to step out of income averaging for the 2020 tax year is also being introduced, and should be welcomed. The estimated cost of this once-off proposal is €150 million in 2020.

Section 11 provides provide cash flow support to previously profitable companies that are experiencing losses as a result of public health measures. It allows companies to estimate their current year losses and to make an early claim to carry back 50% of that loss for offset against taxable profits of the prior year. This will generate an immediate tax refund of some or all of the corporation tax paid in the previous year. Under normal rules, this carry back would not take place until up to nine months after the end of the loss-making year, when tax returns are normally due for filing. As it is based on projections of the expected losses for the full accounting year, the carry back is limited to 50% of the estimated loss. The balance of the loss will be available for carry back in due course under normal rules, when accounts have been prepared by the companies at their year-end. The measure has no net cost in the medium term as it is

an acceleration of a relief that exists in the corporation tax code. However, it will release €450 million of valuable liquidity in the current year to companies currently facing significant cash flow difficulties at a time when they need it most in the weeks and months ahead.

Section 12 provides that the standard rate of VAT will be decreased on a temporary basis from 23% to 21% for the period 1 September 2020 to 28 February 2021. It is estimated that this decrease will cost some €440 million in total - €160 million this year and €280 million next year.

The reduction is part of a number of stimulus measures to aid economic recovery in the short term and help ensure sustainable growth for the future. It cuts across a wide range of economic activity from the retail sector, the motor industry, as well as the hospitality sector and, as such, there is a broad range of types of businesses and traders who will benefit from this VAT reduction. A decrease in the 13.5% VAT rate, such as that provided for in the Jobs Initiative 2011, would have been more limited in its impact. This is a more broadly based measure. In the context of the prevailing public health advice and the restrictions necessitated by the social distancing rules and the shortage of overseas visitors, a reduction in the standard rate is the appropriate policy response on this occasion.

Section 13 is the final section and is another standard section relating the Short Title. There is no commencement provision and the Bill will become effective on enactment and signature by the President.

This is a relatively short Bill but it is a crucial element of the next phase of the Government's response to the Covid-19 crisis. It sets out the fiscal measures that will enable the economy to recover and emerge from the period when the economy was shut down.

The people have shown remarkable resilience throughout the crisis and now businesses are reopening and taking employees back onto their books but those businesses continue to need our support. The measures in this Bill will assist in that process and supplement the other measures the Government has taken to support businesses. It introduces new support measures and adapts existing ones to meet the needs of our people and our economy as we continue to make progress in restricting the impact of the disease, reopen our country and help businesses recover and begin to prosper again. They are far-reaching measures involving Exchequer support but necessary for the crisis we are addressing. I commend the Bill to the House.

Senator Pat Casey: I welcome the Minister of State to the House. I was wondering how I would address this Bill so I will speak from my personal experience as somebody who is in business and currently going through this process. The tourism sector has faced many challenges over a number of decades. The big one we all remember was in 1969 when the Troubles in the North started. They had a seismic impact on the overseas market in Ireland because it more or less shut down overnight. It took us nearly 20 years, until the Good Friday Agreement, to move on from that.

The other crisis that had a brief impact was the foot and mouth disease in 2001. In between, we had several recessions and other issues to deal with but this is the first time ever in our family's lifetime in business that an issue has shut us down. Covid-19 has brought our business, and the entire tourism sector, almost to a standstill for four months. It has nothing to do with the economic situation or anything like that. We could go back to the 1970s when VAT was introduced. My father was paying nearly 22% or 23% in overdraft rates and it was almost im-

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possible to do business. However, I believe we have learned from the troubles we faced in the past that we need to react to crises when they arise. I have to give credit where credit is due. The Government stood up with regard to supporting businesses affected by Covid-19. Without the assistance we have received from the Government to date, we would not have been in a position to stay in business and we would definitely not have been in a position to reopen our doors a little over a month ago.

A key pillar in all of that support was the TWSS. Senator D’Arcy, who was here with me last week, said that we need to drop the “T”. The Minister of State may have had inside information that the rest of us did not have but the “T” is gone and it is now the EWSS. That has to be welcomed because that is the foundation allowing businesses across Ireland reopen their doors. To have it as a guarantee for the next six months is a great incentive for us to keep going and it gives us hope that we can get beyond the current situation. I will address that on Committee Stage. I have a specific issue about the scheme but, overall, it is the key measure that has allowed us open our doors and it has to be welcomed by all Members.

I also welcome other tax measures in the Bill. I am looking forward to seeing how the stay and spend measure will work. I welcome that it is targeted at the off season because we all know that once the children return to school the tourism industry will suffer drastically as we have nothing to fill that void that was the international market. This is targeted from 1 October and I hope it will generate over and above spending that would not have happened at the time.

Equally, I hope that the Revenue has this famous “app” available, which I am interested in, and that we will not be hanging around waiting for its development because that is the direction we are going in. It will be great to see how incentive schemes like that one can work through modern technology because that will open the door to us targeting specific credits into the future.

I refer to the creative thinking around the corporation tax losses, which is no cost to the State but allows a company that operated at a profit but will not operate at a profit this year to offset those losses against last year’s profits. As the Minister of State said, that is a direct cash injection into the business and it has to be welcomed.

The upgrade of the restart grant to €25,000 is a help. The waiving of commercial rates for another three months is welcome also.

These are very welcome measures that address the short-term problem but for the October economic statement we need to address some of the medium and long-term impacts being faced by the tourism sector.

The reduction in VAT is welcome. My own sector is disappointed that the tourism sector was not included in that. Senator D’Arcy might have a different viewpoint from me on that. I do not believe the sector is viewing the VAT reduction on this occasion as a stimulus package. We are looking at it as a survival method that allows us increase our margin to the bottom line. It is probably a measure that will be needed when the EWSS is withdrawn and the extra money in respect of the restart grant is no longer available.

We need to look honestly at what is happening across Europe. Some 28 countries in Europe have a lower VAT rate than Ireland. Our neighbour, the UK, dropped its rate to 5%. That was our largest overseas market in the tourism sector. It has now experienced two hits. When Brexit was announced, sterling dropped by 15%. That made the UK market 15% more attrac-

tive than Ireland and we offer a very similar product. It has now dropped the VAT rate by 8.5%. We need to address that moving forward. I am aware Sinn Féin has a motion on that later, and I will probably speak on the issue again.

The industry needs to unite now across all sectors, not just pubs, hotels and restaurants. The tourism industry goes way beyond that and has a major impact. We need to come together and make the case to the Minister in respect of the October statement. We must emphasise how important that VAT reduction is for the sustainability, viability and competitiveness of our industry in the future. The €10,000 increase in the help-to-buy scheme is welcome. It is to be hoped it will re-energise the construction market until Christmas.

I have addressed most of my issues at this stage so I will leave it at that. I will come back in when I have the opportunity on Committee Stage.

Senator Michael D’Arcy: I thank the Minister of State for coming in. Today we are discussing a stimulus of between €7 billion and €7.5 billion. It is important for people to understand that each stimulus is subject to a timetable. It will either work or not, within that timetable. If it does not work, that means the money has run out and that we have not got back to a degree of normality.

On the last occasion I spoke here, I spoke about what was happening across the Atlantic, in the US. I spoke about the funding with which that jurisdiction was underpinning itself. Some \$9 trillion is already committed and another \$3 trillion may potentially be committed. To put that into context, this is more than 50% of its GDP. That is the scale of stimulus the US is committing. If, however, one looks at its position and why it is talking about additional stimulus, it is because it is still shedding jobs. The money that has been put in and the credit that has been made available has been used and it has still not had an impact on employment. The success of a stimulus is measured by whether it gets people back to work.

What has happened? The money has been used, the stimulus has been spent and still businesses need to cut costs. As Senator Casey will know, the biggest expense for most businesses is employees. That is what is happening. We have to be really careful and understand. The first portion of the stimulus was announced by the previous Administration. The follow-on announced by this Administration is very welcome. The Minister, Deputy Foley, announced funding for reopening of schools which, at €375 million, is a small amount of money compared with this. There will also be a third aspect, budget 2021. It is only ten or 12 weeks away. That will be the stimulus for 2021.

In response to Senator Casey, while it does have to go, the employment wage subsidy scheme will have to be extended beyond the dates currently committed to in budget 2021 because I do not see us getting out the door with regard to the pandemic and the virus without a safe vaccination programme being rolled out. As I have said on each occasion I have spoken, the virus will determine how long the stimulus will have to continue. There is no way around that.

We also have to be careful. I was hugely disappointed to hear Opposition parties calling this package miserly. That is incorrect language to use about the largest expenditure of funds in any one tranche by this State. To put it in the context of our European partners, we will have the second highest spend per capita in Europe. I say to the Sinn Féin Senators that this is not miserly. Sinn Féin is of the philosophy that it should knock and beat up everything to encourage as much bad publicity as possible. That is the wrong thing to do at a time of national emergency.

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It shows that Sinn Féin is not concerned with doing the right thing for Ireland, its people or its economy. Its Senators should reflect upon that.

There are also challenges with regard to the markets. People have said that the markets are solid and robust. Unfortunately, the markets are always robust until they are not. People can see what happens when they are not. Sentiment has an impact and a great deal of value can be wiped out over days or weeks, let alone months. The challenge facing the markets will depend on the virus and whether we listen to our experts, as we have done. The manipulations of populists will not manipulate the virus. The virus will continue to move. If we listen to the experts, as we have, we will get on top of this, as we have. The jurisdictions over the water on each side of us, both Britain and the US, have not done as well as we have. We have listened to our experts and we are on top of it.

I do not want to go through each aspect of the package and each amount committed but I welcome the taxation measures, to the value of €1 billion. I also welcome the rates waiver, which is essential. The cash flow of businesses has been greatly impacted. I speak to hoteliers in my county and some of their rates bills are €500,000 or €600,000 a year. That is not payable and will not be payable. The speeding up of capital works is very welcome.

I will raise a point on the credit guarantee scheme. It relates to the Strategic Banking Corporation of Ireland and investors participating in a business. Affairs analyses are being requested of investors in businesses. That will not wash. People will not give a detailed statement of all of their affairs just because they invest a sum of money in a business. I ask the Minister of State for clarity on that point. Will he ask his officials for a clear statement as to whether that is the case? It will not fly to ask investors for a statement of affairs listing everything they own.

The 2% reduction in the VAT rate. I do not want to be at odds with anyone else but there is a question as to how to best use this €440 million for the Irish economy. We may not fully agree but I believe reducing the 23% VAT rate to 21% is the right approach as every sector will benefit. I am easy as to how individual businesses choose to deal with the reduction. They may need to put that 2% back into their businesses. They may not pass on the 2% cut because the cash flow challenges are enormous.

I will also raise an aspect of the employment wage subsidy scheme, which will be crucial. Is the owner of a business allowed to claim the subsidy and to benefit from that money? In my experience of the owners of businesses, particularly the various types of SMEs, they tend to forego their salaries to keep their businesses going. It would be a mistake not to allow the owners of businesses to get the benefit of this scheme. I am also told that family members of owners are not allowed to claim the subsidy. It is important to have clarity on that matter because such a restriction would be a mistake.

My time is nearly up. We are looking at a €30 billion deficit for 2020. To put that into context, it is approximately equivalent to the total net amount given to the banking sector during the last crisis. That is the deficit for one year. I know we cannot say where we will be next year but we have to start thinking about it now. The deficit will be €30 billion or more this year. We need an indication of the sort of deficit we will run in 2021. If these schemes are not extended and if we do not continue to put capital into businesses to protect jobs, it will be irrelevant. I will finish where I started. There is a schedule for each stimulus measure. We have to continue with them because, if we do not, we may go from a recession to a depression. Nobody wants that.

Senator Paul Gavan: It is nice to see the Cathaoirleach Gníomhach in the Chair. The Minister of State is very welcome.

I will have to start by responding to my colleague, Senator D'Arcy. There is no problem with back-and-forth with the Senator but I ask him to try at least to be factual. There are many aspects of this Bill that we are on record as supporting. To characterise us-----

Senator Michael D'Arcy: The Senator's party leader said last night that it was miserly.

Senator Paul Gavan: I will explain that, because I agree with her. The Senator however, needs to stick to his facts. To say that we rejected every aspect of this Bill, which he did-----

Senator Michael D'Arcy: I did not, Senator.

Senator Paul Gavan: You did.

Senator Michael D'Arcy: Excuse me, Senator, I did not say that.

Senator Paul Gavan: You did and you were very clear. I know that it has been a bad week for Fine Gael and indeed Fianna Fáil.

Senator Michael D'Arcy: I did not say that.

Senator Paul Gavan: I am saying that it has been a bad week for Fine Gael.

Senator Michael D'Arcy: The Senator can check the record of what I said earlier.

Acting Chairman (Senator Joe O'Reilly): Can we allow Senator Gavan to speak, please?

Senator Paul Gavan: I know that the Cathaoirleach will give me some extra time, for which I thank him. On this Bill, we welcome the warehousing of tax liabilities, the reduction of interest rates applying to tax debt, and corporate tax loss relief in these circumstances, but I will highlight a few concerns we have around the Bill.

The temporary VAT rate reduction from 23% to 21% is of course supported by us. More needs to be done. Echoing some of the comments of Senator Casey, the issue of a VAT reduction for hospitality and tourism should have been addressed at this time. The stay-and-spend initiative or tax credit will exclude one third of earners in the State. As the Minister of State will know, we proposed a voucher scheme on this. I will have more to say on this as I go through this speech.

The enhancement of the help-to-buy scheme and the increase of the quantum of claims is a measure that we will oppose on the grounds that it will drive up house prices and exclude the majority of first-time buyers. Again, I will expand on that particular point later.

On the introduction of the employment wage subsidy scheme which will replace the temporary wage subsidy scheme from 1 September, with both schemes running parallel from the 31 July to 31 August, we are saying that the temporary wage subsidy scheme needs to be extended further because we know that the new scheme is not worth as much. I will give a concrete example of this. Ballyliffen Golf Club up in the Inishowen Peninsula is a community-led club. It employs 25 to 40 people and brings a significant amount of tourism into that area. The club has said that because it is a sports business, it will only be eligible for a €4,000 grant under the restart grant scheme despite paying more than €10,000 in rates. As the Minister of State will be

aware, we have advocated larger grants.

The wage subsidy scheme is ending at the end of August and we are arguing that it should be extended to the end of October for the highly impacted sectors like hospitality and tourism. This golf club has made it clear to us that the end of the wage subsidy scheme will make its business unviable. This is a very concrete example of where this particular Bill does not go far enough. This does not make any sense. We have all been speaking to people in the hospitality sector and know how bad things are. Reducing these subsidies this early is a mistake. I make no apologies for saying that.

We are also concerned about the subsidy for workers earning less than €151 per week, namely, the fact that there is not one. We have submitted an amendment on this which, unfortunately, has been ruled out of order and which proposed the continuing of the 85% subsidy for these low-paid workers. We are concerned that this would provide a perverse incentive for employers to increase hours artificially to avail of the €151 payments to cover all wage costs.

I will spend a number of minutes discussing the stay-and-spend initiative. The purpose of this scheme is to incentivise taxpayers to support registered accredited providers of accommodation or food or both during the off-season. There are several flaws in this initiative. The Government basically adopted Sinn Féin policy and then made it as regressive as possible. There is a pattern there, as we know from what has happened with the airports over recent days. The Minister of State said that 2.8 million people will be able to avail of the stay-and-spend initiative. I ask him to address this point in his response because he is wrong in this claim. According to the Department of Finance's own ready reckoner for budget 2021, 715,600 people are taxpayer units who pay neither income tax nor USC. Some 29% of taxpayer units then will be ineligible for the stay-and-spend tax rebate. Considering individuals who are not taxpayers, which also includes couples, and the increased level of unemployment resulting from Covid-19, this figure is actually likely to be higher. The rebate will be received in 2021 for 2020 claims and in 2022 for 2021 claims, providing a reduced incentive for claimants. The rebate will only be available for spending from October, which will miss the summer months. There are a whole series of issues there where the Government could have made the scheme much more effective and we need to hear why the Government is choosing to exclude so many people in this way. It would have been much better to go with a voucher scheme

I also want to address section 8 on the enhanced help-to-buy scheme. We will be opposing this section on the following grounds. No impact assessment has been conducted on the effect of this policy change on house prices, as confirmed by Department officials. This is policy on the hoof and a cash cow for investors. Lorcan Sirr, senior lecturer in housing policy at Technological University Dublin, questioned the timing of the move. He said: "The timing of this, which will stimulate demand when supply is being reduced, will likely lead to rising prices for the homes that do come on the market." Instead of reducing house prices, this will cement the pricing behaviours of developers who have no incentive to reduce house prices. It seems like the old relationship between Fianna Fáil, in particular, and developers is alive and well.

In 2019 the Parliamentary Budget Office published a stinging report on the help-to-buy scheme. The report found that the scheme had been disproportionately availed of by higher income earners. It has been largely out of reach for the vast majority of first-time buyers. The majority of help-to-buy purchases have been above the average price. Given the mortgage lending rules, this means that the scheme has largely benefited high-income earners rather than low and middle-income earners. Only 13% of sales through the scheme were for properties

costing less than €225,000. That is not an affordable housing scheme. Furthermore, over 40% who use the scheme already had a 10% deposit and did not need it, while it failed to help the majority people trying to get on the property ladder. These changes to the help-to buy-scheme, which will cost €18 million, are likely to increase property prices and damage the majority of first-time buyers who will not be eligible for this scheme. This is all being conducted without the carrying out of an impact assessment. This is just poor.

I have spoken briefly about the reduction in VAT which we welcome, but we know that it is just not going to be enough for the hospitality sector. The argument that Senator D'Arcy seems to be making is that this is something that could be addressed in the upcoming budget. That is too late because it should have been addressed now.

A further point on VAT, where the Minister of State will see an amendment from us, is that we are calling for a report on the impact of the VAT cuts on issues like the sale of motor cars and the cuts to fuels and heavy oils. It is surprising to see a Green Party signing up to these type of cuts to VAT. I always thought that this party was against the use of these fuels, yet it seems to have signed up to this without at the very least asking for a report on what the impact will be. The good news is that we have an amendment here which we hope all the Members will support and which simply asks for a report on this in five months to see what the actual impact will be of the reduction of those rates.

Basically, we are going to support this Bill but will oppose section 8. In the context of the crisis that our country is facing, particularly in the hospitality sector and small and in medium-sized businesses, I agree with my party leader that the Bill is miserly and is clearly not enough. We will find in the months to come that much more will be needed to be done that could have been done today.

Senator Ivana Bacik: I welcome the Minister of State to the House and the opportunity to speak on this important Bill for the financial or July stimulus package which, as we all know, seeks to address the enormous challenge that is confronting our society and economy at present. We all appreciate the enormous scale of that challenge, and those of us on the Opposition benches speak in the spirit of being constructive from Opposition in seeking to ensure that we will be able to get through the crisis as a country.

Having said that, and notwithstanding that I will be welcoming aspects of this Bill and appreciate, as my colleague Deputy Nash has stated in the Dáil, the necessity for many of the measures in it, it is, as far as we are concerned, a missed opportunity. It could have gone much further and could and should have been used to build a far more solid basis for a recovery in our view. I will elaborate a little on that point. Deputy Nash summed up this point in the Dáil that the fundamental problem we have with some of the aspects of it is that it gives cash without conditions to those least in need. Conditions could and should have been put on some of the measures to ensure that we had built a better basis for a recovery.

I was taken with an article by Dr. Shana Cohen from the Think-tank for Action on Social Change, TASC, in which she stated that we should have built a stimulus package under the slogan "Build Back Better" to ensure public services are adequately funded into the future. In that same spirit, in the run-up to the announcement of this package, we in the Labour Party put forward an alternative proposal for a stimulus package that would have invested not €7 billion but €10 billion in recovery. It would have gone further in ensuring better access to public services and would have met our five tests, which the Government stimulus does not meet. Those

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tests are as follows: first, the stimulus must be big enough to counteract the negative impact of Covid-19 and Brexit on jobs, businesses and household finances; second, it must be directed at the creation of good-quality jobs, especially for younger workers, as we are all conscious of the particular hit that has been taken by younger generations; third, the goal must be to create a new economic model, based on life-long learning, caring and sustainability; fourth, stimulus measures must reduce economic inequality; and fifth, it must strengthen public services, including a single-tier public health system, a safe return to school in late August or early September, which we hope to see, and major investment in public housing and public childcare.

I will focus on childcare in particular as a measure of how this stimulus package could have done better. I will be constructive, and I welcome, as did Deputy Nash, a number of the measures in this Bill. Many of us appreciate the extension of the temporary wage subsidy scheme, TWSS, and its replacement with the new employment wage subsidy scheme, EWSS, to ensure businesses will be sustainable. I welcome that the turnover rule has been waived for childcare providers, which the Minister of State mentioned in his speech. We welcome the announcement of a major training and upskilling programme, although it falls short of our call to treble investment in skills. We also welcome the cut in the standard rate of VAT and provision for investment in town centres and cycling infrastructure.

As I have said, this Bill could and should have gone much further to ensure a robust basis for the recovery we want to see, with investment in public services, in particular. I will focus on childcare as an illustration of how the Government could have done better and ensured we would build back better. As the Labour Party spokesperson on children and childcare, I have already been contacted by a number of parents about widespread issues. They are concerned about increases in fees, being charged a deposit to hold a place for children who have not yet even taken up a place in childcare, and crèches that have closed. Parents are very anxious and distressed about trying to find childcare provision in the autumn when it is hoped we will see a more widespread return to work. The provision of adequate childcare is a crucial and defining test for this Government. Unfortunately, over recent weeks it has floundered around and tampered with the margins of childcare. Very welcome funding is being provided, but no attempt is being made to address the basic problem with the system of childcare, which is that it is based on a private provider, *laissez-faire* model and that central government has failed over decades to take any responsibility for childcare provision on a universal basis.

In the dim and distant past of January when we were facing into the general election in a very different climate, the Labour Party manifesto called for a move to a universal public childcare system. We recognised that there are 300,000 children of preschool age in this country, two thirds of whom, prior to the pandemic, were in some form of childcare, though it was all largely done on an *ad hoc* basis. I pay tribute to the former Minister for Children and Youth Affairs, Katherine Zappone, who sought to introduce a more streamlined system. From talking to experts in the area and front-line providers, and as a parent and former user of childcare services, the problem remains that we do not have joined-up thinking across the Government and we do not have the sort of investment we need to change the model of childcare. I raised queries with the new Minister, Deputy O’Gorman, about cost of childcare, deposits, and crèche closures and his response was that services are requested to avoid charging or increasing fees and deposits. There is no sense of the Government taking responsibility for the provision of childcare, which we need to ensure that parents can get back to work properly and that children have access to the services they need.

Staff in the sector should also be adequately paid and have decent conditions. SIPTU re-

cently produced research based on a survey of childcare workers showing just how precarious and low-paid the sector is for those who work within it. I am conscious that the Department of Children and Youth Affairs has announced funding, which it claims totals about €300 million, for the various measures being put in place to support childcare providers in reopening, but that is simply not good enough. I recognise that providers are struggling and are doing their best to ensure there is a service available for parents, but parents, staff in the sector and, most important, children are being let down by the failure to emphasise childcare and to review and revise this area radically. I will continue to press that point.

I will raise a number of other points on this Bill, though I am aware we will be addressing them more on Committee Stage and we have tabled some amendments on these matters. A specific issue has been raised with us regarding section 2, which amends Part 7 of the Emergency Measures in the Public Interest (Covid-19) Act 2020. A new subsection, 28B, is provided for in respect of the new EWSS. A number of directors of small arts companies have raised concerns with me as they had been eligible under the TWSS but the new provision will exclude proprietary directors. This is going to be a major change and will have a serious impact on individuals. Can this issue be addressed?

Section 9 increases the subsidy for bicycles. As a lifelong cyclist on the cycle to work scheme, which I support, I have been pressing for many years for a bike to school scheme with similar subsidies for children. We need to ensure that children have access to bikes and are encouraged to cycle. It should be a big part of a radical review of the way in which we run public services and our society. That is a missed opportunity in this Bill. We welcome the stimulus but it does not go far enough.

Senator Róisín Garvey: I thank the Minister of State for giving us his time today, which I am sure is very precious with all that is going on. I welcome the employment wage subsidy being extended to March 2021. That is important. The stay and spend incentive is brilliant overall and it is very positive that people can get 20% back on their spending, even if they spend only €25.

The cycle to work initiative has already proved fruitful over recent years. It is important that the grant has been raised but I want to say two things on it. First, it is important that we include farmers in the scheme because they have not been included up to now and I have had several phone calls from farmers who could use a cargo bike, regular bike or electric bike to go to their work around the land and care for cattle, carry food and so on. It would be nice if the Government could include farmers in that scheme. Second, while it is important that we have raised the amount of money one can get on the scheme, it should not be seen as a target. One can get a very good bike for €300 or €400. Some people seem to think that because the grant is there for €1,000 or €1,500, they have to spend it all. That is not the case. It is an upper limit, not a target. We will be working on the bike to school scheme with the Department, which is trying its best and has to prioritise. One cannot get everything in in the first go, but that is something I have been working on for a while and I wanted to let Senator Bacik know that.

The new enhanced and accelerated income tax relief for losses incurred by the self-employed is also important. We have many big companies, but in rural Ireland it is all self-employed people. It is massive for them to see we are supporting them and it also applies to farmers, which is a good thing for many rural areas. The Government is under a lot of pressure. We can all pick holes, but considering the pressure the Government is under and that this is an emergency, this is a good Bill and I strongly support it. It is easy to pick holes in things but we

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are all doing our best. My colleague, Senator Gavan, should not worry about the Green Party. I will take care of it and he can just worry about Sinn Féin.

2 o'clock

Senator John McGahon: I raised a couple of points on this matter when the Minister came before the House a couple of weeks ago. I want to keep my points brief as I have only about five and a half minutes. The first point I wish to raise concerns the help to buy scheme. I can talk about this because it affects my generation. I am 29 years of age. I cannot speak for Senator Gavan, but so many of my friends and people of my age bracket have benefited massively from the help to buy scheme since 2017. I remember when the help to buy scheme was introduced in 2017, when I worked as a member of staff in this House. The same things were said then; that it would drive up prices, freeze people out of the market and be of no use in the first place. In the past three years there has been no empirical data whatsoever to suggest that was true. Now that we are increasing the value of the scheme by €10,000 to €30,000, it will help even more people of my generation to get on the property ladder for the first time. In the past three years it has provided this assistance to 19,000 people.

By way of constructive criticism of the scheme, I would like to see flexibility around the 70%. As I left Dundalk this morning and drove to this House to speak in this debate, I spoke with a friend of mine, a man named Peter. Peter and his wife fall through the legislative cracks in the help to buy scheme. I bring up this constructively because I think we can look into this in the future. Peter and his wife are looking to buy a new build in Blackrock, just outside Dundalk in County Louth. At the moment that three-bed end-of-terrace house costs €225,000. They are on a single income because Peter's wife has been sick for the past 18 months. She is a qualified secondary school teacher but she suffers from vestibular migraines causing dizziness and vertigo. She will not be able to go back to work for the time being. Peter is in permanent employment in Dundalk. They were approved for a mortgage of €152,000.

The rules of the help to buy scheme state that the loan-to-value ratio of the mortgage must be higher than 70%. In this case that figure is 65%, so Peter and his wife are unable to qualify. I fully understand that the 70% minimum is there to stop people who can afford to buy a house outright from partaking in the scheme. I absolutely accept that. However, the case I have raised shows we could allow more flexibility around the 70% rule. Peter and his wife are not able to buy their house outright. As he said to me in the car this morning, he does not expect things to change at this time. He asked me to convey to the House that if we ever look at this again, the scheme should be slightly more flexible towards individuals who come close to the 70%. Deloitte recently highlighted a case which went to the Tax Appeals Commission. The loan-to-value ratio in that case was found to be 69.89% and relief was denied. This is intended as constructive criticism. I wish to point out some of the cracks in the legislation through which people can fall.

I would also like to discuss a topic I raised with the Minister two or three weeks ago when she came to the House to discuss the temporary Covid-19 wage subsidy scheme. I raised the case of a family who switched accountants at the beginning of the year and were not on the pay as you earn, PAYE, system on 29 February. They were paid their whole wage on the tenth week. They were in employment throughout the pandemic, but the legislation was quite clear and they were not able to qualify. They will be able to qualify for the scheme now because we have removed some of the restrictions to make it easier. While that is very welcome news for that family business, it is marginally unfair that they were unable to claim the payment previ-

ously and there is no way for them to claim compensation at a later stage.

In my last 60 seconds I would like to raise employer's pay-related social insurance, PRSI, contributions. A rate of 0.5% will continue to apply to employers who are eligible for the subsidy. As I am sure the Minister will agree, that represents a considerable saving for the employer, in addition to the subsidy paid for each employee. That amounts to 11.05% on a full wage.

I will conclude by saying that my colleague, Senator D'Arcy, is absolutely correct. This is the most generous scheme of subsidies since the foundation of the State. It cannot be sniffed at. I respect constructive criticism. In my six years in local politics and in this House I have been willing to work with everyone on both sides of the House. However, I do not accept opposition for opposition's sake. Unfortunately in my very brief time in this House and on the national stage, it has seemed that such opposition is the norm and not the exception.

An Leas-Chathaoirleach: Senator Keogan missed her slot. I will give her the eight minutes to which she is entitled and then call on Senator Dooley.

Senator Sharon Keogan: I will just need a minute. I am certainly not here to tear down the Financial Provisions (Covid-19) (No. 2) Bill 2020. I welcome the measures the Government has taken and I wish only to add something constructive that perhaps should have been included. Section 8 amends the help to buy scheme, but it applies to only new homes. I would like that to apply to second-hand homes. That is my only criticism of this Bill. The Government has failed to address this. People might want to buy a second-hand home rather than a new one.

Senator Timmy Dooley: I thank the Minister for coming to the House to discuss this unprecedented set of measures which none of us would have expected to be necessary. At a time like this it is right and appropriate for the State to invest taxpayers' money to shore up our economy and to keep our people safe during the pandemic.

The Minister will be aware that the tourism sector is the sector most affected by the pandemic crisis. This is clear to all. We normally welcome 11 million tourists in a year. This year we will see virtually none. There are several facilities in my constituency that fall under the auspices of the Shannon Group, namely, Bunratty Castle and Folk Park and King John's Castle. The Shannon Group now proposes to close these attractions at the end of August. It is seeking some money from the State to keep them open. I hope the Minister's Department can find the money to ensure these businesses remain open during the winter period, albeit with fewer tourists visiting. We must try to drive some domestic tourism to the region. That market is there. The fact that people will not be leaving the State in the summer period means they will take shorter breaks throughout the autumn.

Some of the microenterprises in the tourism sector also need support. We must ensure that bed and breakfasts are not excluded from the Covid-19 restart grant just because they are not registered with Bord Fáilte. That is really important and I hope the Minister can resolve that for us.

I also refer to pony treks, jarveys and carriage rides. I am thinking of a particular business run by Mr. Sean Kilkenny in and around the grounds of Dromoland Castle. He receives the temporary Covid-19 payment of €350, which goes some way to assist him and his family but certainly does not cover the cost of feeding 40 horses through the winter. Because the business is paying rent and not rates, it previously did not qualify for the Covid-19 restart grant. It is important that the Government is flexible, as my colleague said about other areas. These

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businesses need flexibility to ensure they remain in operation through the winter period and are ready to take advantage when American tourists come back to the market.

We must also invest in infrastructure. One piece of infrastructure is being supported and purchased by the local authority in my constituency, namely, Holy Island or Inis Cealtra. It is a fantastic monastic settlement which will be a very considerable part of the local tourist trail. This is a tourist attraction that can be built upon. It is really important that facilities like that get the support of the Government and get the investment necessary to turn them into world-class tourist attractions. Work can be done during this period when tourism is at a low ebb so the industry is ready to take advantage when international travel starts again.

The Government should also invest very considerably in the basic infrastructure of our villages and towns. In the constituency I know best, County Clare, there are four villages that have absolutely no Irish Water assets but suffer from a sewerage problem. In many cases untreated sewage is flushed into rivers or the sea. The villages in question are Broadford, Cooraclare, Doolin and Carrigaholt. We need the Government to use this time to invest in shovel-ready projects. The projects in at least two of those villages are shovel-ready.

I hope the Minister of State, through his Department and the Department of Public Expenditure and Reform, will ensure that recognition is given to the importance of keeping people in employment, particularly in the construction sector, at this difficult time, while also getting real value for our money. As the Minister of State well knows, the State can borrow money on the markets at a negative interest rate. Investment in the basic infrastructure of villages and towns will generate significant returns. It will help to facilitate people who wish to move back to such villages and towns from cities. As a result of the significantly increased uptake of remote working opportunities, many people wish to get out of cities and return to rural areas. There is an opportunity to address and rectify the imbalance in development. Doing so would allow people to move from the east coast to the west and that would benefit all areas, including the schools and communities of rural villages and towns. It would also relieve some of the enormous pressure on the east coast, and Dublin in particular, where the continual population growth in recent years has put significant pressure on the water, sewerage and road infrastructure. I appeal to the Minister of State, who I know has a very good understanding of rural and urban Ireland, to give consideration to projects that can help to relieve the pressure on those large urban areas.

Senator Emer Currie: I thank the Minister for coming to the Chamber and outlining the Bill. I am very supportive of it and, of course, the July jobs stimulus which offers a range of supports including the €2 billion credit guarantee scheme which was discussed previously in the House, as well as €5.4 billion in direct expenditure, taxation measures and grants. The Bill is mainly focused on tax liabilities and tax measures, but it also provides for the employment wage subsidy scheme which follows on from the temporary wage subsidy scheme that has become the foundation stone of business supports according to employers. It gives direct financial support to companies to help them to pay wages and to keep the business going. It provides stability and reassurance to workers and families that they will be able to pay their bills and keep their lives going as normally as possible unless, it seems, the person is with a particular bank and trying to draw down mortgage approval. The people in danger of getting stuck in this situation may be prevented from buying their first home, moving out of their parents' house or rental accommodation, or moving into more suitable accommodation that may have a garden or space for a home office. Many families are currently considering such a move. The people affected may be prevented from getting on with their lives until April 2021. Members are aware of the knock-on potential that would have in respect of housing supply, construction and jobs.

Freezing so many people out of the market would effectively freeze housing supply.

I received a worrying email from a couple who are constituents of mine. Their base salaries are €71,000 and €84,000 and they were approved in principle for mortgage. They have substantial equity from the sale of their home. Only one of their salaries is supported by the TWSS. They have been in their current jobs for two and three years, respectively, and have never missed a mortgage repayment. They both received pay rises in the past six months. The company turnover has taken a hit but it is stable and there have not been any redundancies or pay cuts. They received an email from their bank on 14 July. It stated that their approval in principle was provided on the basis that at the time the couple draw down the mortgage, no applicant would be relying on Government subsidy income or temporary income support related to Covid-19. I know the Department of the Minister of State has received assurances that such practices are not taking place, but they are happening. They are affecting this couple and other families, including people whose full loan offers have been withdrawn. Senators are aware of the stress and consequences that come with such decisions. I ask the Minister of State to take another look at that situation because it is not good for the couple to whom I referred or for anyone else.

Senator Eugene Murphy: I will speak briefly as my colleagues have made the relevant and important points I was going to raise. Senator Currie raised very important points and I wish to acknowledge that the situation to which she referred is an issue for some people.

I have received good reactions to the July stimulus initiative, including from small businesses. People need the support and help it will provide. I am sure the Minister of State has noticed in his constituency that small businesses are resolute about surviving and getting out of the current situation. They have great fight and enthusiasm and other Irish qualities.

The next couple of months will be of great importance. If one walks the streets of Dublin, one will see how quiet they are compared with the city streets in most summers. That is also the case in rural areas. Tourists and others will not be coming to these places. I looked up some facts regarding my county and the wider rural areas of counties Roscommon, Leitrim and Galway. In 2018, tourism was worth approximately €30 million to the area. That is a phenomenal amount. The figure does not include Galway city but, rather, just the rural areas. In recent years, the phenomenon of tourism in those counties has been extremely important in the context of employment. This is the time to put more money into promoting outdoor facilities such as hill walking, parks, boating on the River Shannon, Lough Erne or elsewhere. All such outdoor attractions should be promoted more and receive more funding because it is crucial that small businesses in the sector can avail of as much custom as possible in the coming months. It is to be hoped that people who visit an area to hill walk or visit an attraction such as Lough Key in County Roscommon, Arigna Mining Experience, Sliabh Bawn or Strokestown Park House will stay in a hotel in the area or go to a restaurant there. We must redouble our efforts in the next eight to ten weeks to ensure every possible support is provided to attract much-needed business to those areas.

Senator Seán Kyne: I welcome the Minister of State and the Bill, which gives effect to many of the measures published in the July stimulus initiative. The stimulus involves a €7.4 billion investment in our economy and society and is vital to our efforts to combat the unprecedented pervasive impact of Covid-19. It is only possible because the previous Government's management of the economy means the State is seen as worthy of lending by investors. It is important to make that point because not everyone appreciates it. If we had pursued some of the

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things that were urged on previous Governments, we would not be able to avail of this money from Europe and elsewhere.

The stimulus is about protecting existing jobs, creating new jobs and supporting businesses, organisations, people and communities across the country. For example, the restart grant continues to help businesses to reopen and to adapt to the new public health necessities. I am very encouraged by the uptake of the grant in counties Galway and Mayo, where some €8.87 million and €4.76 million, respectively, have been allocated in direct payments to businesses.

There are several strategically important initiatives which will be introduced or expanded by the legislation, including the TWSS. The scheme continues to be crucial in protecting jobs and keeping people in work, although not necessarily physically in the workplace. As with all measures and programmes introduced quickly, there have been a small number of issues with the TWSS. I am pleased that section 2 of the Bill will address those issues. For example, a scheme will be available to workers who had been absent due to illness, maternity, apprenticeships or training courses, which is welcome. The Bill introduces the successor to the TWSS, that is, the employment wage subsidy scheme which will come into effect in September. The new scheme will provide a flat rate subsidy of €203 per week to employers for each team member and will be open to all businesses that have experienced a drop in turnover of at least 30%. Crucially for several sectors such as tourism and hospitality, the new scheme will include seasonal staff. I cannot stress how important this is for thousands of businesses in the west of Ireland. The shock to the economy that Covid-19 represents could, without action, cause lasting damage and detrimentally impact some workers who may leave the workforce permanently. We have a duty to do all that is possible to avoid this.

One concern that has been raised with me regarding the employment wage subsidy scheme is the reference period for determining eligibility for the scheme. The impact on turnover is calculated by comparing July to December 2020 with July to December 2019 as per section 2 of the Bill, which amends section 28 of the Emergency Measures in the Public Interest (Covid-19) Act 2020. I appreciate the need for a reference period so the scheme can be properly introduced but the omission of the first half of 2020 would appear odd. Some businesses, particularly in tourism and hospitality, have contacted me and expressed concerns that they will not be able to access the wage subsidy scheme as a result. I would be grateful if the Minister of State could clarify this and explain the rationale for the reference period that has been chosen.

Section 7 will have a positive impact on communities. It introduces the stay and spend initiative, a €270 million boost to encourage and incentivise domestic tourism, which of course is our largest indigenous industry employing more than 260,000 people, almost three quarters of whom are employed outside Dublin. The stay and spend initiative will stimulate demand. Contrary to some reports, it will be available to all taxpayers to offset against USC or income tax, whichever is relevant. The one concern I have about this initiative is the timeframe of 1 October to 30 April. I suppose that is to stimulate demand in the off-peak period. There are some tourism businesses that will close for the winter period. Unless they can be guaranteed that there will be sufficient footfall, it may not be worthwhile in those cases. I certainly hope it will be. We need to make sure there is a marketing campaign for staycations and winter breaks. There are opportunities with some of the remote working hubs to have a combination of work and short breaks in many areas, particularly in the west and on the Wild Atlantic Way.

The provision of a reduced VAT rate from 23% to 21% at an estimated cost of €440 million is a measure I hope will benefit everybody. It will ensure that many businesses will survive and

it will provide savings for customers if it is passed on. I am always slightly concerned by VAT reductions because we do not know if they will be passed on. I appreciate that it is an important lifeline for businesses that are struggling and have bills to pay. The measure has great potential notwithstanding the large cost. I refer to the initiative in 2011 made by the Government that came in at the height of the financial crisis when we had high levels of unemployment. That Government put in place initiatives to ensure we stimulated the hospitality and tourism sector, which did create jobs. I wish the Minister of State well in his role.

Senator Fiona O'Loughlin: I welcome the opportunity to say a few words about the Financial Provisions (Covid-19) (No. 2) Bill 2020, which gives effect to the July stimulus package which we were all anxiously awaiting. In the main, we are happy with the 50 provisions that were put in place. This stimulus package is, of course, another step in the State response to the global pandemic emergency. It is most welcome that the State is investing in key projects and supporting workers and businesses on a historic scale. We look back over the past few months and assess where we have come from since 12 March, when the original announcement was made about schools closing. Many businesses took their own decisions before it was incumbent on them to close. It has had a significant impact on society and the health of our nation.

As legislators, we have to respond in appropriate ways. We have seen the impact on our health system and education with our schools closing. We have to acknowledge the difficult time this has been for workers in the health sector, those who have been bereaved during the Covid crisis and, of course, for business owners who have lost so much over the past few months. Some people are understandably concerned by the figures we have now and the increasing number of cases being reported on a daily basis. We cannot become unnerved by these figures. We have to promote confidence in terms of how we reopen our schools, businesses and economy. We have to ensure people are making the necessary arrangements from a health impact perspective. We have to be able to support the businesses we have. We know the struggle against Covid-19 will continue for some time. The economic fallout from the virus will likely long outlast the impacts of the virus itself. It is not just Ireland that has been hit but countries right across the world. That is why it is so important we have clear and effective legislation to support businesses and people throughout this turbulent time. We need to ensure the future financial viability of many businesses in Ireland is absolutely supported and that this does not pose a real threat to our long-term economic health. Small businesses around the country play highly significant roles in our economy, employing approximately 1 million people before the pandemic. Their impact on the success of our country is most important. We have to do everything we can. Some of the changes that have happened within our society will be reversed while some will not. The nature of work itself has changed and has proven to be more flexible and adaptable than we would have thought in terms of people working from home and maybe having a better work-life balance. Developing a flexible and innovative economy is really important.

I wish to say a few words about the nature of business within my own county of Kildare. We have a really strong record of small local business and our local enterprise office has been incredibly active. The agricultural and equine industry is also very important to Kildare. We have three racecourses and normally would have quite a number of events around them. It has been particularly difficult for event-driven industries. We need to do as much as we can with them. There are measures in this stimulus plan that will help support them and our local communities. Sports clubs that are rateable will be able to avail of €4,000 grants. That is really important. The investment we are going to have in outdoor recreation spaces will be important.

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Particularly in a town the size of Newbridge that has only one small playground, I look forward to seeing measures that will ensure we have playgrounds in place. We have learned many lessons and one of them is that having safe spaces of which people and families can avail close to where they live and work is critically important. I welcome the Bill and look forward to its implementation.

Senator Micheál Carrigy: I welcome the Minister of State and congratulate him on his appointment. I wish to compliment the Government on the comprehensive range of financial proposals in the Bill. They are extremely welcome for all sectors, workers and businesses. I concur with Senator O'Loughlin's comment on the local enterprise offices. I compliment my own local enterprise office in Longford, where a lot of work is being done to support businesses through these difficult times. I will concentrate on a couple of elements of the stimulus. Section 8, which was mentioned by Senator Keogan, provides for increased relief in the help-to-buy scheme, up to €30,000 or 10% of the purchase price. The reality in my county is that no houses have been built for sale in recent years. I completely agree with the comments made by previous speakers that the scheme should be available for any second-hand home purchases.

I ask that the Department of Public Expenditure and Reform look at this and all of the affordable schemes which are being discussed and which form part of the programme for Government. Previously, when we went to the Department looking for affordable housing schemes we were informed that we did not meet the criteria or fit with the ratio that obtained. The reality is that we do not have new houses for sale that people can avail of under a help-to-buy or an affordable housing scheme. I asked that we look at counties in a different way. It is not all in Dublin, Galway and the cities. We have a different situation on the ground and I ask that this be examined.

Tourism, as previous speakers indicated, was the first area to be hit as a result of the pandemic and will probably be the last to recover. I am the tourism spokesman for my party and I have a couple of queries. I fully welcome the schemes, one of which is the stay-and-spend tax scheme. The explanatory memorandum states:

Firstly, the provision of holiday accommodation, including accommodation in hotels, guest houses, B&Bs, self-catering accommodation, caravan and camping parks, and holiday camps. The property must be registered with Fáilte Ireland to qualify.

Unfortunately, any business that is not registered with Fáilte Ireland will not be eligible to participate. This was also the position in the case of the restart grant whereby accommodation providers that are not registered are not eligible to apply for that grant. I fully believe that providers should be registered with Fáilte Ireland. The company introduced its Welcome Standard in recent years to incentivise new providers to join and there is a wide range of supports available, but we need to look at the fact that we are knocking out a large number of businesses that would not be eligible to apply.

I also support the calls that to look at a reduction in VAT for the hospitality sector. We only need to look back to 2011 when this rebuilt the entire sector to the point it had reached prior to the onset of Covid-19. It is a multimillion euro industry, with huge numbers of people coming to the country. I ask also that this matter be examined. I again fully welcome and support this stimulus package and will be supporting the Bill.

Senator Jerry Buttimer: I welcome the Minister of State back to the House. This is very

important legislation. It is also important to note some of the remarks made by Senators Keogan and Carrigy - I will echo them - on the help to-buy-scheme and the concerns being expressed to the effect that second-hand houses or older houses are not included in the scheme. People who want to buy are coming to us and, as Senator Carrigy stated, there are no new houses available for them in particular places.

The one thing that we can accept with certainty is that there is a gargantuan challenge across the world that is being met. This, in turn, gives rise to a new challenge to our mindset, our attitudes and our thinking. If we are looking to reopen our economy, then we must consider how we will do things differently. I commend Cork Chamber of Commerce on their report this week on the sustainable Cork programme and the way in which Cork has changed and been challenged.

This Bill relates to the spending of €2.7 billion on an action plan for our country. If we can develop an action plan similar to the Action Plan for Jobs, then we will do a great deal of positive work. The important thing now is that we reimagine and recalibrate our economy and our society. I reiterate the point I made this morning - I know that many Senators will be tired of me saying this but I am the transport spokesperson for our party and am a Member from Cork - about Cork Airport. I do so in the context of the remarks made by Mr. Ray Gray of the DAA at the Special Committee on Covid-19 Response. Mr. Gray spoke about the need for a different funding approach in respect of Cork Airport. As the Minister of State is aware, the airport does not receive state aid or financial support, unlike other regional airports, because it has a self-funding model. That model has been impacted severely. Mr. Gray also stated that Cork Airport faces particular challenges. Can the Minister of State, together with his ministerial colleagues in the Departments of Finance and Public Expenditure and Reform, look at a way to ensure that Cork Airport will receive state aid through the regional airport capital funding programme, to which it must now be given access? We must be innovative in incentivising route development out of Cork and look at other models of business.

This week, Cork City Council produced its Re-imagining Cork City programme, which involves the creation of 14 pedestrianised streets to allow for *al fresco* dining. The weather may not be particularly welcoming in the context of such dining, but is it not extraordinary that it took a pandemic for us to change our attitude to street furniture in cities across the country? We have recalibrated our city and other towns and cities as well, which is wonderful. Some €2 million is being spent on cycling infrastructure to make our city centre people-friendly. I hope we can take that model and replicate it across the country in large towns. I was in west Cork last weekend and the open market in Schull was fantastic. I saw people dining on the streets in Clonakilty and Baltimore, to name just two places.

A number of people have raised with me the issue of the employment wage subsidy scheme, EWSS, which, as Minister of State is aware, will replace the temporary wage subsidy scheme, TWSS, in September. I am not sure if the Minister of State will be clarifying this point or if such clarification is needed but, rightly or wrongly, I have been told that it would have an impact on proprietary directors who are also employees in their own businesses and are trying to obtain support under the TWSS currently. We are all conscious of the family-friendly businesses that are owned and provide jobs in a variety of different areas. If that is not correct, can the Minister of State the position when replying?

I congratulate all of those involved in developing the stimulus plan. We have already spoken about a number of issues. This is something that we need to drive on with and implement.

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We must ensure that there is no roadblock to or red tape in the context of the delivery of funds. As the Minister of State indicated, the people of Ireland have shown great resilience. We have introduced new measures and I commend the Government on these. Let us just get the job done now.

Minister of State at the Department of Finance (Deputy Sean Fleming): I thank the Cathaoirleach Gníomhach and I welcome the contributions from 14 Senators on Second Stage. I will make some general comments and we can then discuss the Bill on a section-by-section basis on Committee Stage.

A number of issues were raised. I welcome the generally positive tone and support for this legislation. Some people have highlighted issues that could be but are not included and some that could not be included in a Bill such as this. Other particular measures were mentioned that people are not satisfied with.

There was a question as to whether investors have to provide statements of affairs under the loan guarantee scheme. I do not have an answer to that here today because it is not connected with this legislation at all but it is something that I have taken note of and will check separately.

The question was asked as to whether we should have done more on VAT within the tourism sector, where the 13.5% rate was reduced to 9% previously but has now gone back up. This is an all-economy approach, we are not doing it sector by sector. We needed to get something done as soon as possible and every sector can avail of any aspect of this, not just under this legislation. There are other elements within the July stimulus package that are available to tourism and various other sectors and there is not therefore a provision specific to that sector. Legislation normally covers the economy across the board.

An issue was mentioned in connection with the help-to-buy scheme, which I understand. We will discuss this on Committee Stage, together with the question of whether the TWSS should run a little longer and have a greater overlap with the new scheme that is coming into place. There is also the issue of people earning less than €150 per week and the fact that a third of taxpayers will not be able to avail of that scheme. There is another good way of looking at the matter, which is that there are so many people on low wages that are not within the tax net. I see that as a positive rather than that they are being penalised in not being taxed, or that their employers may not be getting the subsidy. The other half of that equation is they are not paying tax in the first place.

People noted their opposition to various sections of the Bill. It was stated that what is proposed might have been a €10 billion instead of a €1 billion plan, and that a Brexit fund should have been as well. We are dealing strictly with Covid-19 here. Before the year is out, we will have plenty of Brexit issues and will be making various arrangements in that regard with legislation relating to Brexit. This Bill relates specifically to Covid-19. Many issues were mentioned such as health, schools and childcare. There are measures specifically to deal with the childcare sector, which have been welcomed, because we all hope that sector is up and running and that there is not a reduction in income in the second half of this year compared to last year. That is the reason special measures are contained in the Bill but the broader childcare issue that was raised is a much bigger one and is best directed to the separate Minister who is working on that.

Speakers complained that an impact assessment was not carried out on some aspects of the

Bill. Others said we should have included a lot more measures without any impact assessment being carried out. It is difficult to get the balance right. I accept that no impact assessment has been carried out on the help-to-buy scheme. If we went down that road we would not be able to make the improvements we are making because we would be preparing reports for a long period. Sometimes we have to move on legislation where there is an urgent need, such as due to the Covid crisis.

Reference has been made to proprietary directors. They are not eligible. That is the simple fact. They are not considered normal employees because, as with self-employed people they are both employer and employee. They have a different relationship. If a business is up and running, they are running a business and they are in a different category from the employees they take on. If the business has not opened then, as with the category of self-employed people, they could come in under the Covid payment. The logic behind the measure is that proprietary directors are in a very different position from what we would call regular employers.

I was taken by the bike-to-school scheme that was mentioned by Senator Bacik. I like it. To be honest, it is the first time I have heard it. It is good to hear such an idea. We all know that children need more exercise. That would be a good thing but the Senator will appreciate it is not in this Bill.

Senator Ivana Bacik: Perhaps it will be in the budget.

Deputy Sean Fleming: Senator Bacik can make the case here on Committee Stage. Reference was also made to farmers and the cycle-to-work scheme.

Senator Michael D'Arcy: That is a stretch.

Deputy Sean Fleming: They are not specifically included in that. I think the reason is that the self-employed are not included. The reason generally is that the cycle-to-work scheme is administered through the employer, through the PAYE system, so it is really suitable for people who have an employer and can work through the PAYE system. The self-employed are not in that category. I do not suggest it will happen, but the difficulties regarding self-employed people operating a scheme like this would be immense because they make tax returns perhaps only once a year and there is a practical, logical reason it is only for employees on PAYE, as that is very easy to administer.

That said, if a farmer could prove that a bicycle is wholly and completely necessary for the carrying out of his business, like the tractor, for example, for carrying a bale of hay on the handlebars or whatever he chooses to do on it, and he does not use it for personal use, perhaps a case could be made for it to be included under the vehicles and some element of a tax allowance might be provided. I say that in jest. I hope people do not take it too seriously. It would have to be wholly, necessarily and exclusively used in the course of a business. I have answered that question as best I can at this stage.

Regarding the help-to-buy scheme, the 70% rule is a very difficult one and there have been rulings set in legislation that can be appealed and people can seek reviews but the legislation does state 70% of the value of the loan to the cost of the building. When one sets a figure in legislation the people who interpret the legislation do not have any scope. It can be very difficult for people who are 1% or 2% short of the 70%.

Regarding the employment wage subsidy scheme, the employer can get a PRSI subsidy as

well as the support from the tax office so it is a generous scheme, as has been mentioned.

A couple of speakers referred to the fact that the help-to-buy scheme is only for new homes. My understanding of this scheme is that its aim is to add to the supply. Buying a second-hand house does not bring an additional house into the system. If somebody builds a new house that is an additional house that is available. As Members are aware, since 2010 or thereabouts there has been very little house building and the problem is that there has been a shortage of supply. This scheme was introduced to encourage the supply of new houses rather than to assist people to move from an existing house to another one that already exists. It is aimed at increasing the housing supply. I take on board the points that have been made, which can be raised again in the context of the budget. The design of the scheme is to get people, such as block layers, plumbers, carpenters, those installing new fitted kitchens and everything that goes with a new house, back to work. It is not just about people buying a house, it is about those who get employment during the course of the construction of the house and it adds extra houses to the market. That is the purpose of the scheme.

Another issue raised related to the banks and mortgages in regard to Covid-19. The Government's position is very clear on that. We have asked the banks to be fair and reasonable but we cannot direct a bank on whom to give a mortgage to and whom to refuse. I accept that difficult cases have been mentioned. I will ask the senior Minister, Deputy Donohoe, to raise this issue. The Department will meet the banks and we will ask them to take a fair and reasonable approach. We do not want them to walk out of the mortgage market at the first sign of difficulty. I hope the banks will take a pragmatic and fair response and that they will not be as strict as they were in some of the correspondence they issued earlier. If the stimulus package has the desired effect and we get greater stability in the economy the banks might have more confidence in lending to people.

On whether the VAT reduction from 23% to 21% will be passed on, we want it to be passed on and we hope it will be but we cannot guarantee that will happen. I would be foolish to suggest otherwise. If one shop or café does it, I hope the next one will do it, but it is up to businesses to make the call. Because they are struggling financially due to loss of business and they are having to reinvest, they might want to use the benefit of the VAT reduction to keep the business going. That is an important element. There are two options. The benefit can be absorbed in terms of the extra costs that are incurred over Covid-19 to keep the business alive or if a business is strong enough it can pass it on to customers by way of a price reduction. The people who can judge it best are those who are closer to the ground. There is no mechanism to guarantee the benefit will be passed on. If that does not happen, we hope it will help to keep a business alive, which is the main thing we need to do.

Compliments were paid to the local employment offices, LEOs, throughout the country. We all recognise the work they do. Many contributions also referred to the tourism sector and the VAT rate, which I mentioned already, in terms of being registered with Fáilte Ireland. I take the point that it adds a restriction and it does not include some people but everybody would be more comfortable, especially after Covid-19, if they knew they were going to a place that was registered with Fáilte Ireland. People are nervous about leaving their houses and staying elsewhere and sleeping in beds when they do not know who slept in the bed the night before. People will have more confidence in the quality of accommodation when they go away if they know it is registered with Fáilte Ireland. I know other places are not included but, on balance, especially on this issue, we have to give confidence to consumers that they are going to a bed and breakfast or hotel that is registered with Fáilte Ireland if people are availing of this scheme.

Reference was made to Cork Airport. I know the Senator will raise that with my ministerial colleagues. All I can do on that particular point is pass on the views that have been expressed.

I am not very used to the format here, but I have tried to respond generally to the comments that were made. I know that on Committee Stage there will be a far more detailed discussion on some of the sections and recommendations.

An Leas-Chathaoirleach: The Minister of State is doing well.

Question put and agreed to.

An Leas-Chathaoirleach: When is it proposed to take Committee Stage?

Senator Michael D'Arcy: Now.

An Leas-Chathaoirleach: Is that agreed? Agreed.

Financial Provisions (Covid-19) (No. 2) Bill 2020: Committee Stage

Section 1 agreed to.

SECTION 2

An Leas-Chathaoirleach: Recommendations Nos. 1 and 2 in the name of Senator Paul Gavan have been ruled out of order.

Recommendations Nos. 1 and 2 not moved.

Senator Paul Gavan: I move recommendation No. 3:

In page 14, between lines 25 and 26, to insert the following:

“(22) The Minister may make an order under paragraphs (a), (b) or (c) of subsection (21) that pertains to a certain class or sector of business of employers.”.

I am a little disappointed that the previous recommendations were ruled out of order because it is common sense to extend the existing temporary Covid-19 wage subsidy scheme when so many businesses are in trouble. While we welcome the new scheme, the lower rate of subsidy is, frankly, being introduced too soon. The existing subsidy should be extended for another couple of months.

Recommendation No. 3 gives the Minister a bit of flexibility so that he can provide additional support to particular sectors if he wishes. The Minister of State has just indicated that the Government is not taking a sectoral approach. Perhaps this conditionality should be built in so that such an approach could be taken. We know how much difficulty the hospitality sector is in, for example. To my mind, this is a common-sense recommendation. It builds in extra flexibility in case it is needed between now and the next set of proposals. I would be disappointed if the Minister of State was not willing to support it.

Minister of State at the Department of Finance (Deputy Sean Fleming): I understand

what is being said. As I indicated, we are not proceeding on a sector-by-sector basis. The July stimulus includes a suite of measures covering approximately 50 items, eight or ten of which are included here. We will discuss legislation covering other matters tomorrow, and we already discussed a number of matters earlier in the week. Some of the Government measures take the form of grant schemes that do not require legislation. We are taking an economy-wide approach and asking people to take advantage of other measures in their sectors. They are not confined to this particular measure. It is only one of a suite of available options. I am not in a position to accept the proposed recommendation.

Senator Paul Gavan: I wish to put on the record that we are proposing a recommendation to allow the Minister to alter either the rates of the subsidies paid to employers in respect of certain classes of employees or the reduction in turnover necessary for an employer of a certain class of businesses, such as those in the hospitality or tourism sectors, to qualify. We know that businesses are really on the point of having to close. It does not make sense not to build in the option of flexibility. I imagine that many businesses, particularly in the tourism sector, will wonder why the Minister of State will not adopt this measure. What is the actual reason for not adopting it? It does not commit the Government to doing anything right now, but gives it the option to offer additional support if the tourism sector plunges further between now and the next set of proposals. This is a common-sense proposal that does not commit the Government to anything today but allows for the extra support these businesses may need.

Senator Michael D’Arcy: The Senator has highlighted one sector, namely, the tourism sector. We know there has been a huge impact on that sector, but at least it has the opportunity to reopen. A dozen other sectors may not reopen at all. I will give the example of English language schools. It is possible that none of those schools will open in the short or medium term. The Senator has highlighted just one sector. That is why this recommendation is hugely flawed.

Deputy Sean Fleming: There are two aspects to this. We do not want to give the Minister too much power to decree through a statutory instrument a measure which should take the form of legislation. Such measures must be debated here. There is also a practical administrative reason related to the Revenue database on specific sectors. Many businesses could be in similar sectors or could be involved in multiple sectors. The technology does not allow us to pick a particular sector to implement a niche measure. The Revenue’s data collection does not work that way. The main point is this. It is almost August. We will return in September and debate the budget very early in October. There will be a very early opportunity to revisit this in advance of the budget, which is not very far away at this point.

Recommendation put and declared lost.

Section 2 agreed to.

SECTION 3

An Leas-Chathaoirleach: Recommendation No. 4 in the name of Senator Alice-Mary Higgins has been ruled out of order.

Recommendation No. 4 not moved.

Section 3 agreed to.

Sections 4 to 6, inclusive, agreed to.

Senator Ivana Bacik: I move recommendation No. 5:

In page 32, between lines 21 and 22, to insert the following:

“Need for harmonious industrial relations and avoidance of industrial unrest

7. The Act of 2020 as amended by this Act, in so far as it relates to the wage subsidy scheme and to special warehousing and interest provisions, shall not apply to an employer unless he or she demonstrates to the satisfaction of the Revenue Commissioners that he or she—

(a) does or will engage in collective bargaining with his or her employees, with the object of reaching agreement regarding working conditions and terms of employment, or

(b) is or will become a member of a representative association which agrees that it is expedient to have terms and conditions relating to remuneration, sick pay schemes and pension schemes in respect of workers in the sector from time to time examined by the Labour Court under section 15 of the Industrial Relations (Amendment) Act 2015.”.

This is a recommendation we are very anxious to press. It essentially seeks to do what the Government should have done with this Bill, as I explained on Second Stage. It aims to use the State’s leverage to get better outcomes for everyone, introduce reforms in low-paid sectors and move to a model based on high-quality public services and decent pay and conditions. This recommendation would essentially ensure that in order to avail of the temporary Covid-19 wage subsidy scheme, employers would have to engage in collective bargaining. Demonstrated engagement with workers’ representatives would be a condition to availing of the relevant supports.

3 o’clock

We are seeking to do something similar with recommendation No. 6, but I will not be pressing that. The measure contemplated within recommendation No. 6 make seeks to provide protection against lay-offs and short-time work. We will not be pressing it because, as Deputy Nash noted in the Dáil, that concern is already addressed in the legislation. The provision is in section 2, which inserts a new section 28B into the Emergency Measures in the Public Interest (Covid-19) Act 2020. The relevant provision is on page 9 of the Bill. It provides for the sort of leverage or *quid pro quo* we were seeking to create via recommendation No. 6 and states that employers cannot avail of the scheme if, other than for bona fide commercial reasons, they lay off or remove qualifying employees from their payroll.

The Government has already introduced protections for workers against lay-offs and short-time work. Recommendation No. 5 would allow the Government institute a similar *quid pro quo* to ensure employers engage in collective bargaining. This would be a condition for access to the scheme. As outlined in the title to the new section we are seeking to insert, this is intended to ensure harmonious industrial relations, avoid industrial unrest and protect workers against a lack of representation in the workplace.

It is in keeping with the long-standing commitment within the Labour Party to ensuring the protection of workers’ rights, collective bargaining rights and union representation.

In the previous Seanad, the Labour Party group, with support from Senator Gavan and colleagues across the House, enabled the passage of the Competition (Amendment) Act 2017, which secured rights of collective bargaining for vulnerable freelance workers. It is in a similar spirit that we are seeking to press this recommendation in order to ensure that the Bill will impose certain conditions to protect workers and that these will be inserted into the scheme. We are very glad that the Government has done this already in the new section 28B in respect of employees who might otherwise be vulnerable to being laid off or to short-time working. It is great to see that the matter contemplated by recommendation No. 6 has been dealt with, and that the Minister said in response to Deputy Nash in Dáil Éireann that he will keep it under review. We are trying to do something similar with recommendation No. 5 and to go a little further to say that employers should engage in collective bargaining with their employees and that employees would therefore have the right to representation in the workplace.

Deputy Sean Fleming: I understand what Senator Bacik is saying and the issues she raises, which are very valid. They cannot, however, be accommodated in this legislation. The recommendation seeks to restrict the hiring practices of employers who want to access the TWSS, the EWSS or the special warehousing and interest provisions already contained in the Bill. It proposes that entry to such schemes would mean that employers would not be able to hire new workers into roles where lay offs have occurred, or hire new workers unless the work they are being hired to carry out has already been offered to increase the hours of short-time workers. These are stand-alone schemes designed to support a firm's viability. The matter falls outside the criteria relating to the Revenue Commissioners. The will administer the EWSS but they are not the people that the Houses of the Oireachtas want to adjudicate on employment rights. Those issues are for the Workplace Relations Commission and, ultimately, the Labour Court.

Section 28B (6)(ii) contains safeguards to specifically provide what Senator Bacik aims to do with recommendation No. 5. The section states that, other than for bona fide commercial reasons, an employer cannot access the EWSS if that employer has laid off a qualifying employee and replaced him or her with two or more qualifying employees who work fewer hours, with the aim of increasing the number of qualifying employees in order that the employer can get an increased subsidy payment. There are measures in place to ensure that employees cannot be laid off and other employees taken on. This is an industrial relations issue and asking Revenue to get involved with who has been hired or fired would actually prevent the scheme getting up and running as urgently as we want it to. The issues raised by Senator Bacik are totally valid but I do not believe we should ask the Revenue Commissioners to get into the middle of hiring or firing, or who has rights. This is more appropriately judged under the Workplace Relations Commission and the Labour Court.

Senator Michael D'Arcy: I understand the Senator's position on legislation but it is entirely inappropriate that employers who desperately need the funds to go into their businesses, to keep them open and allow them to keep employing staff, would have a qualification whereby one has to do this or not get the support from the State. I do not think that is the right way to manage it and I am of the view that it would be inappropriate.

Senator Ivana Bacik: I take the Minister of State's point about the powers of the Revenue Commissioners but I believe that there would have been a way of working with us - as already stated, we aim to work constructively - to, perhaps, have arrived at a changed wording to ensure the sort of protections we seek could have been included in the legislation. I very much welcome the wording already in section 28B, which the Minister of State quoted, on protections against people being laid off. However, I am of the view that here would have been a

way of dealing with our recommendation more constructively in order to ensure that it could have addressed our concerns and, perhaps, incorporated a reference to the Workplace Relations Commission.

Senator Paul Gavan: I put on record Sinn Féin's support for this recommendation. It is a pity that whenever the issue of collective bargaining comes, up all we ever hear from Fianna Fáil and Fine Gael is "Well, yes, but now is not the right time". It was not the right time in the past four years of Fine Gael Government, supported by Fianna Fáil. It is not the right time today. I suppose it depends on one's philosophy and if one believes that we just need a return to normal and have masses of low-paid workers. Ireland has the largest number of low-paid workers of any country in the EU. It depends on whether one thinks it is okay to have masses of private sector companies in circumstances where joining a trade union means a person loses his or her job, such as, for example, a nursing home worker in one of the private nursing homes. Senator D'Arcy is shaking his head. I worked as a trade union official and I assure the House that when I organised workers in nursing homes, as soon as the employer found out, they were fired. Given this as an example, I do not think it is okay to just throw money at employers. It is very reasonable to include a requirement that workers should have rights in their workplace, but, of course, it is never the right time to do that.

I was interested in how the Minister of State responded. He indicated that he understands where Senator Bacik is coming from but that provision cannot be made in this Bill. Maybe the Minister of State will tell us what his plans are to legislate for collective bargaining. Of course, he does not have any.

Deputy Sean Fleming: The Senator will appreciate that I am here today to deal only with this particular Covid-related legislation. This scheme is solely administered by the Revenue Commissioners. Everybody understands that we do not want the tax office adjudicating on matters of labour law or the rights of people to seek representation through trade unions. I am aware that the intentions are good, but I suspect there will be lots of opportunities to raise this matter again. This is one of the first times I have heard somebody suggesting in the Oireachtas that the Revenue Commissioners should be involved in dealing with employment law and employment rights. Revenue has a job to do and does it very efficiently and effectively but it would be the responsibility of the Departments that deal with labour law to deal with this matter. That is all I am flagging. I am not in a position to answer for other Departments. Revenue has a job to do under this legislation and I would not like to even suggest that it should be responsible for interpreting labour law. Where would it end? There will be other opportunities, but not in this Bill, to raise these points. I know this is not the answer but I am being pragmatic about it. This Bill is for a Revenue scheme and the Senator's recommendation is not a job for Revenue.

Senator Ivana Bacik: As I said earlier, I take the Minister of State's point about the Revenue Commissioners' powers. I pay tribute to the Revenue Commissioners for the speed with which they turned the scheme around in the first place. We are all conscious of the immense work done by public servants in Revenue, in the Department of Employment Affairs and Social Protection and elsewhere to ensure that schemes and supports were in place for people who were left bereft and economically devastated by the Covid-19 pandemic.

While I take the Minister of State's point, there was a way of engaging constructively with us as we seek to engage with him in order to ensure that the spirit of this recommendation could have been reflected in the legislation and to address the concern we have as it was addressed elsewhere, such as in section 28B. As others pointed out, we must also be mindful that the

hospitality and tourism sector has been very badly hit by the pandemic and by closures. There has been an issue within that sector where a significant number of employers refuse to engage with joint labour committees. An ESRI report published this week shows that workers in the sector are at high risk of contracting Covid-19 and other conditions that may cause increased complications.

We are conscious of the need to ensure protections for workers, especially in sectors that are being badly hit by Covid-19. We are conscious of the need to ensure that there are adequate measures in place for workers to be represented. The Competition (Amendment) Act already provides a mechanism for engagement, particularly where there are vulnerable freelance workers and fully dependent self-employed people, as they are referred to in that Act. We brought that legislation forward in this House with support from across the floor and working constructively with the then Minister and the officials. Senator Gavan is right that whenever we raise the need to ensure workers' rights and protection for collective bargaining, there tends to be a push back from the Government saying that the legislation being discussed is not the right means to achieve that. I am glad this is the right legislation in which the Government has put protections in respect of lay-offs and short-time working. It is also the right legislation in which to put protections in respect of the right to representation and in which to include - and copperfasten - protections on collective bargaining. That is all too often left aside and, as a result of it, we see workers in particular sectors remaining prone to low pay and precarious conditions such as the involuntary short-time and temporary working practices to which I referred. This is the type of problem we are seeking to address in our recommendation. It is a principle that is worth supporting even if the Minister of State quibbles, as he may well do, with the mechanism we propose to put in place to address it. We had similar issues in regard to the gender pay gap legislation, for example, but we have always been happy to amend the way in which we are seeking to address a problem, once we see it is being taken seriously and addressed by Government. That is the spirit in which I propose the recommendation.

Deputy Sean Fleming: I understand the principle behind the recommendation and the spirit in which it is proposed. I have outlined the particular difficulties we have in asking Revenue to get into dealing with employment law. The Senator correctly noted that there is already provision in the legislation to address a situation where an employer might let somebody go and then hire two new people. She is correct that this does impact on employment law. One of the reasons we included it was to ensure there was no abuse of this legislation. Without it, I would have been very fearful that some scrupulous employer might have laid off a well-paid employee and then taken on two people on lower wages, thereby getting double the subsidy. Even though we did cross over into employment law with this provision, it was to ensure there was no abuse of the system by unscrupulous employers. We felt it was necessary to include this measure to protect the integrity of the scheme. That is the only reason we included it. The broader issue is not specific to the Revenue Commissioners.

Senator Pat Casey: As an employer in one of the sectors that has been referred to, I can understand the sentiment being expressed. However, we are in a crisis and we need to respond to that crisis very quickly. Trying to enter into collective bargaining before one would qualify for the wage subsidy scheme could put businesses at risk. It is not by our choice that people in my industry offer part-time and short-term working conditions. That is the way the industry is. We simply cannot afford to have full-time workers on a permanent basis because the business is not there. It is wrong to say that workers have no rights in the workplace.

Senator Ivana Bacik: I did not say that.

Senator Pat Casey: Workers' rights are protected in primary legislation and every employer must comply with that legislation. It is not true, therefore, that workers have no rights in the workplace. In all my time as an employer, I have tried to do the best by my employees. I used the joint labour committee, JLC, arrangements for numerous years, until the collapse of those arrangements. I actually found it quite useful for hotels outside Dublin to use the JLC process. However, there is now primary legislation protecting employees' rights. It is wrong to say that there is no such protection in place.

Senator Paul Gavan: I accept Senator Casey's bona fides and I have no doubt that he is a good employer. I am delighted that he acknowledges the value of the JLC system when it was in place. To be clear, I never said that workers do not have any rights. I noted something that is factually correct, namely, that this State is one of only two countries in Europe which do not have collective bargaining rights. In other words, I am pointing out that an employer can legally refuse to recognise that his or her employees are members of a union and legally refuse to deal with that union. This is a fact and it is something that the trade union movement along with Sinn Féin, the Labour Party and others have been trying to address and correct for years.

Unfortunately, whether it is Fianna Fáil or Fine Gael in government, the change we have been seeking has not been delivered. That is a fact. We do not have collective bargaining rights in this State. They were introduced in the Six Counties but we do not have them here. By the way, the world did not collapse in the Six Counties because workers have a statutory right to collective bargaining. Just as Senator Casey testifies to being a good employer, which I accept, I can testify that whenever trade unions try to organise workers, whether in meat factories, nursing homes or catering firms-----

An Leas-Chathaoirleach: I apologise for interrupting Senator Gavan. In accordance with the order of the House today, the sitting must be suspended at this time. The debate on the Bill will resume at 5.15 p.m.

Progress reported; Committee to sit again.

Sitting suspended at 3.15 p.m. and resumed at 3.45 p.m.

Skellig Star Direct Provision Centre and the Future of Direct Provision: Statements

Minister for Justice and Equality (Deputy Helen McEntee): I thank Senators for inviting me here to speak today on what is a very important topic for them, and for me as Minister for Justice and Equality.

The direct provision system has provided accommodation, food, healthcare and other essential needs for more than 65,000 people since its inception some 20 years ago. While it ensures their basic needs are met, the intervening years have taught us that people claiming international protection need much more than that. They need a holistic system, one that is responsive to their individual needs and one that fully respects their dignity, right to privacy and to family life.

A number of important reforms have been introduced in recent years under my predecessors, most notably the roll-out of cooking facilities in centres to support independent living. I acknowledge that is not the case everywhere, but that is the intention. Another change has

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been the introduction of labour market access to foster greater economic independence, and the agreement of national standards to promote consistency in services and standards in centres. However, that is not enough. That is the reason the Government has committed to ending the current system of direct provision within the lifetime of the Government and to replacing it with a new international protection accommodation policy that is centred on a not-for-profit approach.

Responsibility for the accommodation system is transferring from my Department to the Department of Children and Youth Affairs. Officials from both Departments are making the necessary arrangements to facilitate the transfer of functions as quickly as possible. Last year, as Senators will be aware, we asked Dr. Catherine Day to bring together an expert group, with representation from asylum seekers and NGOs, to examine best practice in other European states in the provision of services to international protection applicants, to examine likely longer term trends and to set out recommendations and solutions. Any new system for the provision of accommodation and additional supports to international protection applicants will be informed by the report of the expert group. The report had been expected by the end of the year but it has now been brought forward to the end of September. The intention is to publish a White Paper by the end of this year, which will be very much informed by the recommendations of the expert group, which will set out how a replacement to the direct provision system will be structured and the steps we can take to achieve that. It will be a matter for my colleague, the Minister for Children, Equality, Disability and Integration, to progress this matter following the transfer of these functions to that Department in the coming weeks.

Turning now to what is happening in Cahersiveen, I appreciate the concern that Senators, and others who have raised the issue with me, have for the residents. I share these concerns. It is a matter of deep regret to me as Minister for Justice and Equality that the residents of the Skellig Star in Cahersiveen felt their concerns required this type of action. I take these concerns very seriously, as do officials in the Department. It is a very serious situation that a group of people feel they needed to put their health at risk by refusing food in order to have their concerns listened to.

The transfer of direct provision residents to Cahersiveen arose because of the pandemic. It has been a very difficult situation for everybody. In particular I acknowledge how difficult this has been for the residents, who include children, not just in dealing with the move from where they had been staying but the subsequent challenges we have all had to endure during the Covid crisis.

I fully appreciate that the outbreak in the centre was extremely distressing for residents, for staff and the wider community. I am thankful the HSE declared the outbreak over on 20 May. In the interim, a number of measures have been introduced to make life more comfortable for the residents, particularly for those children who are living there.

My officials have been on site in recent days to assess the situation first hand and, most importantly, to listen to the concerns of the residents. They have been also tasked with examining issues raised around the provision of meals and any issues arising due to the boil water notice in place in the town. Following their visits, my officials have informed me, based on their examinations, that residents have access to clean and safe drinking water and meals. I am conscious they cannot cook their own meals, which is something we see in many places, and this is very difficult. I am someone who likes to cook and prepare my own meals and I know this is a very difficult situation for people. Residents have concerns and any outstanding issue is being fol-

lowed up for resolution as a matter of absolute priority.

I am also aware that a number of residents have made applications for transfer from Cahersiveen to alternative accommodation. Yesterday, the Department wrote to the residents in Cahersiveen to inform them that restrictions on transfers are now being relaxed. They had been imposed throughout the country because of the pandemic. These restrictions were necessary as a precaution during the pandemic but as we have been able to manage the effects of the pandemic in the centres these restrictions can now be eased.

The centre in Cahersiveen was opened as emergency accommodation at the outset of the pandemic. Our policy always has been to withdraw from emergency accommodation as quickly as possible and, in particular, to ensure that families spend as short a period as possible in such accommodation. My officials will be implementing this policy in relation to Cahersiveen. Places for the first families are being identified and their moves will be completed by the end of next week. Other residents in the centre will be moved to permanent accommodation as soon as spaces can be found. This process will be completed in a relatively short period of time, no more than a few months. Realistically, I would like to see this done by the end of the year. I have spoken to the Minister, Deputy O’Gorman, who will take over the portfolio and this is something to which we can agree.

In the interim, my officials are also working on solutions to facilitate the transport needs of residents to ensure they can visit larger towns in the area and we will continue to listen to residents as regards other additional supports they may require in the wake of recent events surrounding the centre.

Since we opened the centre in March, in response to the early stages of the pandemic, the health and welfare of residents has been foremost in our mind. This will continue to be case for me as Minister for Justice and Equality, just as it will be for my colleague, the Minister, Deputy O’Gorman, and for the Government.

To discuss the issue of direct provision more generally, the replacement of the direct provision system will not happen overnight, unfortunately, and we know this is the case. Existing centres will continue to operate in the short to medium term but further changes will be made and I will outline some of them. Many of these have been signalled to Senators in the briefing note circulated by Dr. Day. They include extending the right to work. Having visited Mosney recently, I know one thing people want to be able to do when they come from a country where they have been working and providing for themselves and their families is to be able to work. The impact that not working can have on their mental health is huge. Other changes include exploring alternative housing models and funding provisions and giving clear guidance to ensure all applicants can open bank accounts. This is something simple but absolutely vital. Also included is reducing the amount of time taken to process positive decisions. While this time has been reduced significantly in recent years we need to reduce it even further. Other measures include ensuring that binding standards for centres are applied and enforced by January 2021. These changes also include compulsory training and regular networking for centre managers and moving away from the use of emergency accommodation. This is not a place we want to be and we need to move away from it as soon as possible. Other changes include ensuring vulnerability assessments take place and working with the Department of Transport, Tourism and Sport on providing access to driver licences. In the interim, before the Minister, Deputy O’Gorman, takes over, I will try to address these issues as we know they cannot happen overnight.

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I am sure Senators will agree these changes will have a positive impact on the lives of residents and should be implemented without delay. My officials are working on proposals for consideration to make this happen.

I assure Senators we are doing everything in our power to address the concerns that residents of Cahersiveen in particular have raised. I acknowledge how difficult this must have been and continues to be for them, not least because of the pandemic but also because of the move from where they had been staying, potentially away from family and friends. We want to ensure that in the interim those who have remained will be supported as much as possible and accommodation is being sought for families moving next week. I would like them to feel the course of action they have taken is not the necessary one. I take these concerns very seriously and hope we can address them.

Senator Malcolm Byrne: I thank the Minister for being available to join us today. I also welcome the series of commitments she has given on direct provision and, on top of this, her sincere personal commitment as Minister, and I know of the commitment of the Minister, Deputy O’Gorman, to address this issue.

There is agreement across the House on the importance of this issue of addressing the immediate challenge in Cahersiveen and the broader question of direct provision. What we have seen in Cahersiveen is totally inappropriate with regard to keeping large groups of people in confined quarters for long periods of time. There are major flaws with the direct provision system, and the Minister outlined them quite clearly. All of us on the Government benches and on the Opposition benches will support plans to abolish the system. The experience in Cahersiveen gives rise to several questions for our State agencies in terms of their response. Inspections were carried out by public health officials of the HSE on the centre in Cahersiveen on 21 and 29 April which highlighted concerns and inadequacies of provision at the centre at the time. On 28 April, public health officials from the HSE Cork and Kerry region urged a move to alternative accommodation due to inadequacies at the hotel, which were compounding the level of infection and making social distancing and quarantining impossible.

We saw the outbreak of a Covid-19 cluster there at the same time as we were seeing outbreaks of clusters of infection at a number of meat plants. Correctly, these meat plants were closed down immediately. The question is why in the case of this centre was public health advice from public health officials of the HSE not followed. I realise the difficulties because we were in a period of lockdown but in terms of responsibility to individuals there was clearly a failure.

We must remember that at the heart of this discussion are individuals and families who have already suffered trauma as they fled from war, torture, famine and oppression. They came and sought refuge here in a country where, rightly, we should be proud of our reputation as a welcoming country. They have been let down by the State agencies.

4 o’clock

Their trust that Ireland is a welcoming country has been damaged. This, of course, was all compounded by the boil notice that was issued for Cahersiveen three weeks ago. That should have set off further warning signals and I do not believe the State responded quickly enough.

The people of Cahersiveen have been welcoming. Kerry is a welcoming county and the community there has been supportive. The asylum seekers in Cahersiveen have got involved in

local walking, soccer and other sports groups. I know the local councillor, Norma Moriarty, has been actively engaged with the asylum seekers, the staff and management of the centre.

I welcome the Minister's announcement that she intends to resolve many of the problems and transfer the families insofar as it is possible by the end of next week. I also welcome the Minister's clear commitment to do that. However, if there is a failure to do that, I ask that she would appoint an independent mediator because it is important that we rebuild trust among those who are resident there.

We need clarity as to why public health advice was not followed and a clear statement about that would help. We must also address the long-term issue of direct provision, as the Minister has said, and particularly how asylum seekers can play meaningful roles in our communities.

The face mask I wear in this Chamber was made by Ms Mariam Dudashvili from Georgia. She has been, for some time, based in an emergency provision centre in Courtown. She is a tailor by trade and during the course of the pandemic, she and a friend made more than 4,000 face masks for the local community. I know the Minister has already accepted a manifesto from a number of those in direct provision centres in Wexford about how the system can be reformed and it is important that, as we reform the system, the Minister, her officials and the Minister with responsibility for children, disability, equality and integration, Deputy O'Gorman, will engage with those who have had direct experience of the system. Those who have gone through and understand the direct provision system have a contribution to make to the reform process. More than anything else, we should not look at this as dealing with a problem. We must look at the potential contribution those who come and seek refuge here can make. I am not talking just about tailors like Mariam. A diversity of cultures has always helped to build Irish society.

I hope we will see contributions from some of the asylum seekers who have been involved in politics internationally. My own party was founded and contributed to by people with names such as de Valera, Lemass and Markievicz which shows how we can be enriched by other cultures.

I also ask that in addition to addressing some of the issues which she outlined, including employment, the Minister would also address access to education. One of the difficulties for many asylum seekers is that they can go through our entire second level school system and get a place in third level education but continue to be treated as international students, they must pay fees and do not have access to Student Universal Support Ireland, SUSI, grants. It is important that we address access to education for asylum seekers. I again thank the Minister for her commitments.

Senator Mary Seery Kearney: I thank the Minister for making herself available at such short notice which, in itself, is a strong statement of how seriously she is taking this situation. I have heard her assurances in that regard and that she is closely monitoring the situation in Cahirsiveen. I congratulate her on her forthright response and willingness to act.

It has been, no doubt, a very difficult time for the residents in the Skellig Star Hotel and the concerns they have raised are particularly upsetting. The pandemic has been a time when the expectations and hopes of the entire country were suddenly arrested and we were thrust into an unknown world, filling us all with apprehension. The necessary sudden and dramatic suspension of anything that resembled normality as a result of the virus, culminating in the lockdown, while life-saving and absolutely the right action to take, has undoubtedly left a scar on our na-

tional psyche. Facing into this pandemic, we were all left with a sense of helplessness, facing an unknown and fearful enemy-----

An Cathaoirleach: I apologise for interrupting. The acoustics here are great so I remind Senators to use modern technology and send text messages to each other if they wish to communicate. We changed Standing Orders so that could be done.

Senator Mary Seery Kearney: I thank the Cathaoirleach. As I was saying, we were all facing an unknown and fearful enemy in the virus but most of us at least had the comfort of our own hall door to close and to feel secure behind. I can only imagine that the pandemic and the sudden, albeit necessary, relocation to emergency accommodation in the hotel has been difficult for the residents of the Skellig Star, given that they have already experienced trauma in their lives. That relocation, the experience of the pandemic, the outbreak of the virus within the hotel and the horrible unknowns within that, undoubtedly exacerbated their feelings of helplessness, resulting in their current actions.

I welcome the news that officials from the Minister's Department and the international protection accommodation service visited the site and carried out an inspection. It is a relief that the objective evaluation confirmed that residents do indeed have access to clean, safe drinking water and meals. It is also reassuring to know that officials have ensured that supports are available to the residents. I heard the Minister say that some matters remain outstanding and are being followed up by her Department, that officials have written letters and have things in hand. I acknowledge that.

The pandemic circumstances of recent months have been unprecedented in the history of the State and the circumstances in Cahirsiveen cannot be viewed apart from that context. However, it is important that the requests of residents for transfers are considered and facilitated now that restrictions have been relaxed. I welcome the statement that the Minister made in that regard.

In light of all of this, it is a matter of regret that the residents have taken, and continue to take, the action they have. I appeal to them to cease. It is a statement of their sheer desperation to be heard that they would take such serious action.

Direct provision as a means of catering for the process of asylum seekers is a challenging structure, juxtaposed as it is to a general housing shortage. The trajectory for some time now has been to replace it with more suitable arrangements. As the Minister has stated, an expert group was formed last year under Ms Catherine Day, a former Secretary General of the European Commission, who has chaired a cross-section of stakeholders including formal civil servants, refugee and migrant rights organisations. The group needs to hear from residents and perhaps the particular group of residents about which we are speaking would make a valuable contribution to the wealth of knowledge. The objective of the expert group is to recommend set time limits for the different stages of the asylum seeking process and report on best practice in the European Union that we could adopt. The group has worked to accelerate an outcome and, as recently as 5 June, Ms Day confirmed that the report should be available in September. This is commensurate with what is stated in the programme for Government and the work to end the current system with all of its inherent, definitely expressed and agreed hardships has already begun.

It is also of note that the overall goal of reforming direct provision is hoped to be achieved in the lifetime of this Government and that the interim policy is to ensure that accommodation

centres meet the Government's policy objective of having independent, self-contained living arrangements for residents so they may cater for and look after themselves. It is important that a right to work is available to them. In January of this year, I made a speech in the context of recruitment and the recruitment industry in which I noted a sheer lack of talent. We are running out of talent and I suggested we look to direct provision because there is a wealth of people with skills, talents and knowledge there that we could harness for the betterment of the nation. It is important that those people have a right to work.

It would be terribly disingenuous of anyone, especially the members of the expert group, to believe that the direct provision system can be changed overnight. The Minister, Deputy O'Gorman, has reported that there are more than 7,700 people seeking asylum in the system and the figure in emergency accommodation, as of 5 June, was 1,647. With those numbers in mind, we must acknowledge that the dismantling of direct provision will take time.

I welcome that these residents are being listened to and their concerns addressed. I look forward to a speedy end to their current actions and resolution of the situation.

Senator Gerard P. Craughwell: I would like to share time with my colleague, Senator Mullen. I will take four minutes and let him have two, if that is okay.

An Cathaoirleach: Is that agreed? Agreed.

Senator Gerard P. Craughwell: I welcome the Minister to the House. If she performs as she did in her role as Minister of State with responsibility for European affairs, the Department of Justice and Equality will have a great Minister. I am delighted to see her here. We have been bashing this about for some time.

I became a Member of the Seanad in 2014 and, at some point in 2014 or 2015, Senator Norris introduced a Bill on direct provision. All of those in this House at the time said some grand words. We were going to fix the problem overnight. We have not fixed the problem. We have never tackled the problem of asylum seekers, refugees and economic migrants coming into this country. I do not believe that anybody in this Parliament, apart from myself, went to Sicily to see at first hand how the process operated when there were literally tens of thousands of migrants crossing the Mediterranean. God help them. At the least the young men were able to care for themselves but I met young women in Sicily and what they want through to get there from Tripoli and various other parts of north Africa was unbelievable. I am afraid grand words about asylum seekers, direct provision and so on rest absolutely nowhere with me.

I have not been to Cahersiveen so I will not speak about it. I do not believe about speaking about things I have not seen at first hand. I am, however, extremely concerned that the programme for Government states that we are going to develop a not-for-profit direct provision centre. I would love somebody to explain what this means. The State shirked its responsibility to provide proper accommodation for asylum seekers, refugees and economic migrants coming into this country many years ago. It took soft options. I am not accusing the Minister; I am talking about the system. It took soft options. It went to small villages in which hotels were closed up because of the economic crisis that began in 2008. It quietly and sneakily went into these villages and did deals with hotel owners, NAMA or anyone else involved in order to bring these most unfortunate people to these villages. We really did not care for the people who came into this country. We treated them as a problem and they have been a problem ever since they arrived.

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The other thing we did wrong, as my colleague has pointed out, was to limit access to education. Children born here went from national school through to the leaving certificate. How did that happen? Why did we shirk our responsibility to assess those who came into the country as genuine asylum seekers, genuine refugees or economic migrants so that those who did not fit the criteria for entry could be dealt with in a short period of time and sent home? That might sound heartless but in doing what we have done we have affected those who came to our country. We have made their lives miserable by sticking them in these God forsaken places for years on end.

I do not see a way around profit. I thank the profiteers who provided the accommodation the State could not. I would love somebody to explain that.

The large numbers brought to small villages have decimated political careers in this House. I refer to the careers of both those who won seats and those who lost them. This occurred because of deals being done behind candidates' backs. That was terrible. I hate to see this issue moving from one Department to another. I am not convinced that it will happen.

Senator Rónán Mullen: I thank Senator Craughwell and the House. I have just two points to make. I will start, of course, by welcoming the Minister.

Senator Byrne spoke of the disconnect between the public health response to an outbreak in a meat factory and the response to an outbreak in a direct provision centre, which was a complete failure by comparison. It must be made clear that, once people are in our State and under our protection, they must be given the same level of care and protection as the citizens of our State.

Today is World Day against Trafficking in Persons. There is, of course, a connection between this issue and our direct provision system. There are people in direct provision who have suffered horrendous abuse. Some are victims of trafficking and some have tremendous psychiatric and mental health needs. In fact, persons seeking asylum in the State who live in direct provision centres have particular mental health needs that are not being addressed. I brought this up in a motion in the Seanad last year. The Royal College of Surgeons in Ireland has found that depression and mental health problems are five times more common among asylum seekers in direct provision than in Irish society generally. We must provide adequate supports for psychiatric care and mental health care for persons in direct provision.

We must also note our diminishing status as a country that challenges and fights the terrible problem of modern-day slavery and human trafficking, according to the US State Department's trafficking in persons report. We are now in the tier 2 watchlist category along with states like Saudi Arabia, Democratic Republic of Congo and Kazakhstan. Our ambition on paper to combatting human trafficking is not being matched by equivalent positive outcomes or allocation of resources. We have had no convictions for trafficking since 2013. We must pay attention to this issue. I look forward to discussing this with the Minister on future occasions.

Senator Niall Ó Donnghaile: I am sharing time with Senator Boylan. I will take four minutes and she will take two. I will begin by expressing solidarity with the residents of the Skellig Star centre. They are the primary reason we are all here today. I welcome the Minister and thank her joining us. I note the welcome Government Senators have extended to her despite those Senators voting against the motion to invite her earlier this morning. That is an important point to make for the benefit of those watching.

Does the Minister accept that the Skellig Star direct provision centre does not comply with the standards and requirements laid out in the Department of Justice and Equality's guidelines on direct provision published in August 2019? As I understand it, direct provision standards cannot be applied to emergency accommodation. If that is the reality, it sends a shiver down my spine. Fundamentally, that would mean this situation could continue.

I have been engaging with my Dáil colleague, Deputy Daly, who has been working tirelessly with the residents of the Skellig Star and in the local community. It is our understanding that the manager of this facility was told in March, following the building's closure as a hotel in January, that the new owners would reopen it as a direct provision centre within three days. This hotel manager was given three days. No proper training was provided and there was no time for proper Garda vetting. Was it solely a case of getting people in to start generating profits to go into private coffers? That is the crux of the problem with direct provision. This system cannot be about proper care, welfare and support for people who are in extreme need, who sometimes have complex issues relating to post-traumatic stress disorder and other dynamics and who face extreme marginalisation and social isolation when the main driver of some of these centres is solely to generate profit.

Of course, all the feelings I have just referred to are bad enough and, if we are honest, similar problems are widespread in the direct provision and emergency accommodation system but we must then consider the unprecedented dynamic of the Covid-19 crisis. This meant even more complexities in how we care for and protect people and in how we keep them safe. It is clear that the Skellig Star was not and is not properly equipped to deal with the needs of the residents, whether during a pandemic or otherwise. On that basis, will the Minister commit to meeting the residents to hear their concerns directly? I do not doubt for one moment the Minister's sincerity in today professing that she wants to deal with this issue. I take her at her word on that.

Again, on that basis, will the Minister commit to relocating the residents to safer and more appropriate accommodation? Departmental officials should not have had to be despatched to the centre this week to ensure the residents have safe and clean drinking water. This should not be held up as a fine example of Government taking action. It is a basic right and entitlement. It should not be the case that residents of the Skellig Star centre have to go on hunger strike in protest to call for their safety and well-being. I again ask the Minister very directly and sincerely whether she will commit to ensuring the affected residents in the Skellig Star centre are relocated to safer, more appropriate and, crucially, more compliant accommodation as a matter of urgency. Will the Minister give me a date for that relocation?

Senator Lynn Boylan: I thank the Minister for making time to come in. I will talk a little bit about the broader issue of direct provision. As awful as the situation at the Skellig Star centre is, it is simply the outworking of a cruel system. This cruel system will be a stain on the State for years to come. It is a system that belittles and demeans residents. I will give an example of the experience in direct provision that I have come to know about through my work and volunteering with Homeless Period Ireland. One woman who is incontinent was offered a bucket by the management of the centre. She had to depend on donations from Homeless Period Ireland. She is not alone. Many women and girls in direct provision rely on donations of period products to get through from month to month. When a Minister of State, Deputy Stanton, of the previous Government instructed direct provision centres to provide period products, in some centres the cheapest products were sought by managers. They were brands I have never seen in any supermarket in the country in my 44 years. That is what happens when a service of this nature is run for profit. Residents become cash cows and there is water rationing.

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There is cheap food and in some cases there was no hot food option in certain centres. During the summer, people were offered cold salads. There is broken heating, as was the case with the Skellig Star in the cold months at the start of the lockdown.

I commend the residents of the Skellig Star for taking a stand and shining a light on the woe-ful conditions they are made to endure. The Minister is sincere and I hope she ensures that these people are moved as soon as possible. I look forward to working with the Government in the context of its proposals relating to how we move from a position of for-profit direction provi-sion to a process that will operate on a not-for-profit basis and be both human rights-compliant and a fitting standard for this country.

Senator Ivana Bacik: I wish to share to time with Senator Hoey.

An Cathaoirleach: Is that agreed? Agreed.

Senator Ivana Bacik: I thank the Minister for coming to the House at such short notice in response to our amendment to the Order of Business this morning. We appreciate it. I welcome the Minister and commend her on her appointment. It is well deserved and it has always been a pleasure to listen to her in the House, both now and when she had a previous role.

I wish to briefly express our support for the residents of the Cahersiveen centre, as outlined by my colleagues, Senator Hoey, yesterday, and Senator Wall, this morning. The news emerged about the appalling conditions in which the Cahersiveen residents were living and I wrote to both the Minister and her colleague, the Minister for Children and Youth Affairs, Deputy O’Gorman, to express concern and ask that these matters be addressed urgently. I am glad to hear from the Minister that action is being taken urgently in this regard.

Direct provision was originally introduced as an *ad hoc* and somewhat temporary system but it has morphed into a system with which there have been really serious problems and injus-tice, particularly in some specific areas. Like many others, I have visited centres and spoken with residents. The system was never suitable for families, particularly those with children. It was never suitable for people who wanted to do their own cooking and there previously was no facility for people to cook. As we know, self-catering facilities were only used more recently and it is a real problem. The long wait in the system of accommodation is a serious problem as it was originally intended to work for a short term.

The State approached the right to work in a grudging way by denying it initially and then only introducing it following a court action. Ireland is an outlier in that regard when compared with other jurisdictions and how they deal with asylum seekers’ right to work. We should be clear on how we measure up.

I very much welcome the commitment in the programme for Government to replace direct provision by ending it, as we in Labour have called for, and replacing it with a new international protection system based on a not-for-profit approach. It is the right way to go and I am glad that Dr. Catherine Day’s expert group is looking into best practice elsewhere to see how we can learn from it. It is good her report is due at the end of September and a White Paper is due by the end of December.

We accept that this cannot be done overnight. There must be a proper and adequate system to replace direct provision but we will hold the Minister, her Department and her colleague, the Minister for Children and Youth Affairs, to account in order to ensure that the system is abol-

ished so that we can see this country return to being an Ireland of the welcomes, as it should have been and tended to be. Others have spoken very eloquently about the positive contribution made by those from other countries and we must bear that in mind. I am very heartened by the Minister's comments in that regard.

Senator Annie Hoey: I thank the Minister for coming here today and I look forward to the work to be done by both her Department and that of the Minister for Children and Youth Affairs on the matter. I will speak specifically about the Cahersiveen case, using many of the words of the people who are there. In their words, the people in Cahersiveen are already victims of trauma, including torture and rape. There are over 100 residents in a 56-room hotel and it has been known since April that this accommodation was unsuitable because, even outside a global pandemic, sharing rooms with non-family members is not appropriate. We have evidence from a number of people who stated in April that this was not suitable accommodation. Dr. Tony Holohan stated it was not possible to observe social distancing when sharing rooms with people who are not part of a family. There have since been 23 confirmed cases of Covid-19 at the centre, including in one child. I ask the Members present to think for a moment about what this is like. These people have fled a country, experienced torture and rape and were terrified of their lives before being put into a hotel in Ireland at one end of Ireland and mixing with people they do not know while a virus is spreading and residents in the accommodation are getting sicker. This is not the island of a thousand welcomes that Ireland is supposed to be.

When the Minister announced she would come to the House today, I very quickly took time to speak with representatives from the Movement of Asylum Seekers in Ireland, MASI. I spoke with some of the residents in Cahersiveen working with some of the people in the centre and, through them, one of the residents. The representatives of MASI were on their way to the centre but I have received a message to say they were not allowed into the direct provision centre to speak with residents. Why are these people from MASI not being allowed to speak with residents when they advocate most for these people?

They also want to know if the Minister will intervene and listen to the residents who have been traumatised over the past few months, not to mention their experiences in the past few years. The statement from the residents of the Skellig Star has gone around and I am sure the Minister has seen it. Will she ensure access to a social worker in order that these people can have their health catered for and monitored regularly? Will the Minister ensure the residents can be transferred to an appropriate accommodation centre, such as Tullamore or Mosney, where a proper vulnerability assessment and adequate treatment for trauma can be done? When the Minister's officials went to the centre, why did they only speak with one resident and refused to speak to residents as a group. The residents do not want to be separated and they want to speak as a group. They fear what will happen to them if they are separated. There are currently 41 residents left in the facility and 30 residents have left. Do we know what happened to those residents? Where are they? Are they on the streets, where they might perceive it to be safer for them than staying in the Cahersiveen centre? What exactly is the Minister going to do about those 30 residents?

Immediate action must be taken. I have a quote from a resident that was given to me a few minutes ago, who said:

They should understand the emergency of our situation, and hence we have gone for so serious a step as a hunger strike. This is not something to discuss leisurely for days. Immediate action must be taken.

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I ask the Minister what immediate action she will taken, not to close the centre in a matter of weeks or months, but rather a matter of days. The test of this Minister and that of the Minister for Children and Youth Affairs, in the context of how they seek to end this system, will be how they treat the residents of Cahersiveen in the coming days.

Senator Róisín Garvey: I have no doubt that the Minister and the Minister for Children and Youth Affairs are just as concerned as all the people in this room about the current issue that has been landed in their laps.

I will read from a letter by a group of asylum seekers staying in a direct provision centre because their voice is not in this Chamber. It states, “Dear Ministers and IPAS. We are the residents of the direct provision centre in ...”. I do not even need to name which one because this could be true of every single direct provision centre in Ireland. It continues: “We are tired. We are sick. We are becoming crazy. Until now, we did not say it because we were afraid this letter would interfere with our cases. Now we have decided to speak. We are tired.” It also states: “Transport is a problem and this is a rural place. We use all our money to use the bus that goes once a week.”, and: “We have many problems. We had an opportunity to speak with IPAS but we were afraid and we were afraid of the people in the hostel losing their jobs.” These are extracts, and the letter continues, “We are often served chicken that has expired and has a very bad smell” and “We are often accused in the wrong”. It states, “In some rooms the heater is not working, even in the winter time. Only because the community around us has embraced us and gave us blankets did we survive the winter” and “One of us was sick and we asked the director of the centre to call the doctor. He gave my friend paracetamol and did not call the doctor”. It continues, “The manager likes to control us and order us. Some people feel like he is bullying and we feel like we are being treated like animals and slaves”. The letter continues:

There is no access to the poolroom. He locks it when we want to use it. It is the only thing we have to do. We should be nothing without the community of people around us. It is hell on the inside and like paradise on the outside. This is a place without opportunity, without job, without transport. We want peace. We want respect. Please see some way to transfer us for a better place where there is respect.

An Cathaoirleach: I apologise for interrupting the Senator. For the information of Members, it is not permitted to read a statement attributed to people outside the House directly to the House.

Senator Róisín Garvey: The writers of the letter finish up by asking to be transferred to a better place.

I have worked with refugees, including Tibetan refugees, in a number of different settings. I was doing work in this area as far back as 1995, when direct provision was first experimented with in County Clare. People were getting stopped at Shannon Airport, due to American immigration requirements, and they were taken to Ennis. That was 25 years ago. Now, in 2020, the Minister must make it her legacy to put a stop to direct provision. We teach our children about human rights and the equality of all humans. If we, as adults, are not showing that equality of treatment to our fellow humans, how can we expect our children not to be racist and to treat other people with respect? We live in a very diverse society in Ireland, with people of all colours and creeds living here. How will we get our children to treat all people with respect if we are not doing the same for the people living in direct provision centres?

Some of the people I have met are surgeons, healthcare assistants, doctors, mathematicians and physicists. They are just like us but we throw them into these places where there are no opportunities. Some asylum seekers have been granted asylum and received work permits but there is no opportunity for them to get a job, even during the boom, because we put them in places where there is no rural transport and make them live on €38 a week. They will never get out of those places in such circumstances. We are making the problem even worse. I believe the Minister, Deputy McEntee, and her colleague, the Minister with responsibility for equality and integration, Deputy O’Gorman, are the perfect team to finally put to bed this horrific and barbaric treatment of our fellow humans. I will give the Minister, Deputy McEntee, the letter from the people in direct provision. They are asking her to respond and they want an opportunity to meet her. I look forward to her and the Minister, Deputy O’Gorman, finally resolving this matter.

Senator Eileen Flynn: I thank the Minister for taking the time to come to the Chamber and listen to the important points raised by Senators. I want to start by saying that people in direct provision are not just like us. In fact, they are far from like us because they are living in hell under this State. No matter who we are or where we come from, we all deserve a roof over our heads, a place to call home and water and food to keep us healthy and alive. For many people who seek asylum in Ireland, they do not get those things. Right now, there are families in Kerry who are living in fear, in accommodation that is not suitable and which puts them at risk of catching Covid-19. They are fearful and worried about their health and their future.

Direct provision is dangerous. That is not just my opinion or the opinion of the people who are seeking asylum and living in the direct provision centres that are owned by private companies which make profit out of warehousing human beings. In a statement today, the Movement of Asylum Seekers in Ireland, MASI, and other groups, together with residents, calls on the Department of Justice and Equality to move asylum seekers out of the Skellig Star centre without delay. The Government has committed to ending direct provision but what exactly does that mean? How much worse does the situation have to get and how much more cruelty will be allowed against the people in direct provision, who are living at the very edge of Irish society and do not have a say in that society?

We have a long history in Ireland of treating unwanted people a certain way. As an unwanted person, I know what that feels like. There is a history of putting up high walls and hiding us away from wider society. We have had scandal after scandal, apology after apology and report after report. We are violating people’s human rights by putting them in direct provision centres. They were set up more than 20 years ago with the intention that people would go into them for six months, after which they would be able to live their lives. The system has never worked like that. It is clear that the treatment of asylum seekers in Ireland, especially children, is yet another scandal for the State. How will the Government choose to be remembered by history? Will it be remembered as the Government that dragged its feet and did nothing about the violation of the human rights of people in direct provision, or will it be remembered as the Government that fully put an end to that system?

Everybody in this House would be very grateful if the Minister could, if possible, give a timeline for how the Government intends to deal with this matter. Where there is a will, there is a way and the will must be there to take action now. Nobody knows the shoe is cutting only the person who is wearing it. We can stand up here today as white people and talk about what is happening to people in direct provision, but none of us knows what it feels like to live there. We are all in agreement that action needs to be taken. We would like nothing more than to know

when that action will be taken, and the deadline in this regard, for the people living in these horrible conditions.

Senator Alice-Mary Higgins: I have very little time in which to speak, but everything that needed to be said has been said in an incredibly eloquent way by colleagues. The issues that have been raised include access to heating, food, water, transport, basic health and basic education. These are fundamentals for any society and when anyone in society is not getting them, it is a disgrace to all of us. Yet that is what is happening to people in direct provision, in Clare and Galway as well as in the Skellig Star facility. Can the Minister guarantee not just that people will be moved but that there will be no more contracts signed with private providers for direct provision centres? Giving a commitment not to sign a single new contract would set a timeline and give the urgency that is needed to address the situation. I remind the Minister that the same and worse issues apply to the asylum detention centres we are funding in Libya and across the developing world. They are part of the same shameful architecture of exploitation.

Minister for Justice and Equality (Deputy Helen McEntee): I thank Senators for having this debate. I can hear and see their sincerity in making their points. I hope I have addressed some of their concerns in my opening contributions, but I also take on board the other issues they have raised. I had the pleasure some time ago, having just got back from a European Council meeting together with the then Taoiseach, Deputy Varadkar, of meeting a large group of people from among the hundreds who had arrived into Baldonnel from Syria. I had an opportunity to meet those families and engage with them. Men were coming up to me with CVs and other documents detailing their expertise and the work they had done at home. These are people who had left their lives behind and were looking to set up new lives here. They wanted to work, to provide for themselves and their families and to see their children go to school. They had come from very difficult circumstances and wanted to start afresh in this country.

Dealing with the issues in the direct provision system is an absolute priority for me in the short space of time that it will be under my remit. It is a priority for the Minister with responsibility for equality and inclusion, Deputy O’Gorman, and for this Government to ensure we get it right for the people in the system and that we support them in starting a new life. We are already working to address some of the concerns and I take on board the additional concerns outlined by Senators. We will try to address them as quickly as we possibly can. In regard to Cahersiveen, I give a commitment that families will be moved by the end of next week and that as accommodation becomes available, remaining residents will be also moved. My intention is that the process will be completed by the end of the year and I know this is likewise the intention of my colleague, the Minister, Deputy O’Gorman. In the interim, I thank the residents for their patience - if I could use that word - but I implore them not to put their health or welfare at risk. I am sorry they felt this was the route they had to take but I am listening to their concerns and I am taking them very seriously, as are the officials in my Department, in trying to address those concerns. As Senator Higgins has outlined, Cahersiveen is not the only centre where these kinds of concerns have been raised. Others have been mentioned by Senators here today. This underscores the absolute importance of the root and branch reform of the system for accommodating international protection applicants that we are now undertaking. We are trying to fulfil that commitment as set out in the programme for Government. The Dr. Catherine Day expert group report will be absolutely instrumental to that. Having seen an interim report presented by Dr. Day based on her own recommendations, I can already see the progress we will be hopefully able to make while we transition into this new type of support, and hopefully abolish for good direct provision as it currently stands.

In the meantime I ask Senators to encourage any direct provision residents from Cahirsiveen who contact the Senators with their concerns to raise them directly with my Department so we can address them directly. If the issues are not raised or not addressed to their satisfaction the Office of the Ombudsman or the Office of the Ombudsman for Children can also provide further assistance, but we do not want it to get to that point. It needs to be addressed and I want to ensure my Department can support Senators to do that. Alternatively, centre residents can access a freephone number for the Jesuit Refugee Service, where they can make contact and raise issues in confidence if they wish to do so.

Senator Ó Donnghaile raised the point about Garda vetting. I assure the Senator that it is compulsory for employers to obtain Garda vetting disclosures and it is no different here. There are penalties for people who do not do this. I assure Senators that this is an absolute necessity. I think we all know that the current system is far from perfect but I believe the commitments in the programme for Government provide us with a unique opportunity, after 20 years, to finally get this right. I acknowledge Senator Craughwell's comment that this is taking a long time. We do, however, have to acknowledge the significant improvements that have been made over the years and how these have allowed people to live a much better life, albeit still somewhat on pause, until they can start in earnest.

The Minister for Children and Youth Affairs, Deputy Roderic O'Gorman - and while he would certainly speak for himself I know that I can say this - and the Government are fully committed to providing every support possible to asylum seekers who have come to this country in desperation. They are in need of our help and they deserve no less.

Having an expert group with representatives from asylum seeker groups provides us with a unique insight into the lived experience of the direct provision system from the people who understand it best. Their insights will, I hope, help to shape Government policy to ensure we can have an accommodation and support system that is fit for purpose, and which is responsive to the needs of asylum seekers. Like each and every Senator here, I look forward to seeing the outcomes of Dr. Day's important work, which will feed into the development of the white paper to chart a course for replacing the direct provision system and the steps towards achieving it.

I shall now turn to education, which is a longer term objective. We face significant challenges across the educational sector. Children who reside in direct provision accommodation, like other children, are under the guardianship of their parents, but where possible we have tried to reach out to ensure that in the same way as children elsewhere these children have been able to continue to engage with their teachers and to engage in education. We have tried to ensure this is absolutely the case here. My Department has developed a strategic framework for engagement on child and family issues in this regard. We have outreach to a number of groups including Tusla, the Department of Children and Youth Affairs, the Department of Education and Skills, the Department of Rural and Community Development, the HSE, the Children's Rights Alliance, One Family and the United Nations High Commissioner for Refugees, UNHCR, to work closely with these families to make sure we are focusing on a number of key themes of child and family welfare, identifying education requirements, and more generally the provision of activities for children throughout all of this. We have made every effort to ensure that support is there, and to ensure that technology is available so they can continue with remote learning.

I thank Senators for raising this extremely important issue. I am listening and I acknowledge the challenges. We are working to move away from a system that often does not work, but we have to acknowledge that a huge amount of effort has gone into trying to make it work

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for people. In the interim I would prefer not to see people put their own health at risk. I say to the centre residents in particular that we are trying to address their concerns and from next week onwards we will be moving families, and beyond that we will be moving other people as quickly as possible.

An Cathaoirleach: I thank the Minister for coming into the House. Being from Kerry I am aware it is a concern for people I know in Cahirsiveen and in the county. I thank the Minister for taking the time to come into the House to outline the situation and what the Department is doing at the request of Members.

Sitting suspended at 16.46 p.m. and resumed at 17.05 p.m.

Financial Provisions (Covid-19) (No. 2) Bill 2020: Committee Stage (Resumed) and Remaining Stages

Debate resumed on amendment No. 5:

In page 32, between lines 21 and 22, to insert the following:

“Need for harmonious industrial relations and avoidance of industrial unrest

7. The Act of 2020 as amended by this Act, in so far as it relates to the wage subsidy scheme and to special warehousing and interest provisions, shall not apply to an employer unless he or she demonstrates to the satisfaction of the Revenue Commissioners that he or she—

(a) does or will engage in collective bargaining with his or her employees, with the object of reaching agreement regarding working conditions and terms of employment, or

(b) is or will become a member of a representative association which agrees that it is expedient to have terms and conditions relating to remuneration, sick pay schemes and pension schemes in respect of workers in the sector from time to time examined by the Labour Court under section 15 of the Industrial Relations (Amendment) Act 2015.”.

- (Senator Ivana Bacik)

Senator Paul Gavan: It is still surprising that there are Deputies on the conservative side who really do not understand the struggles of workers in the private sector and how hard it is to get justice at work. I refer to low-paid workers, contract cleaners and people working in nursing homes for a flat fee on 24-hour shifts across seven days who can work any 12 hours in those 24 hours and get paid as little as €11 an hour. When those people ask for more or ask to have any kind of voice at work they are told they will not get hours the following week. That is the reality for thousands of workers across the country right now. It is not good enough. In conclusion, I refer to what Ms Patricia King, president of the Irish Congress of Trade Unions, ICTU, said, namely:

Direct government grants to businesses, in the order of billions of euro must be conditional on a commitment by them to decent work and to retaining their workforce. We must

end the scourge of low pay and precarious work and no longer tolerate bogus self-employment that pervades the sectors hardest hit. The race to the bottom must end.

We have had years of Fianna Fáil and Fine Gael Governments. It makes no difference. It is good to see them both on the same benches now at last. At least that charade is over. They talk about workers rights but never actually do anything. We have a simple request, a right to collective bargaining, which is established already across most of the EU. We should have it in this country. Now is exactly the right time and the right opportunity to link it to support for businesses so that we can have decency at work and decent pay as well.

Senator Ivana Bacik: I thank the Minister of State, Senator Casey and other Senators for engaging on this matter. I acknowledge Senator Casey's good faith and bona fides in respect of it. I did not wish to suggest that workers' rights are not protected in primary legislation. I am very well aware of the wide range of primary legislation that is protective of workers' rights, and we can be proud of that. However, there is an anomaly where there is no protection of the right to collective bargaining, as Senator Gavan said, which is what we seek to address in this limited amendment, which I will press. We have had a good engagement on the matter. It has been constructive and I thank the Minister of State in particular for that.

I wish to raise another matter, namely, that of proprietary directors, which I referred to prior to the break in the context of section 2. I wish to correct the record, if I may. I understand from Deputy Howlin that the Minister has acknowledged that there is a difficulty for proprietary directors who will, it appears, be excluded from the employment wage subsidy scheme, EWSS, under the new section 28B despite being covered under the temporary wage subsidy scheme, TWSS. I understand the Minister for Finance has acknowledged this issue and that he will seek an administrative resolution of it. I did not have the chance to put this on the record earlier but I have consulted since.

The amendment makes an important point we seek to raise. It is part of the approach we are taking with this legislation that we believe more conditionality could have been put into it, that it could have been a way to ensure State leverage to build back better, to build back a better society and ensure that we have a more robust base for the protection of public services in particular into the future, and the protection of workers' rights and collective bargaining rights. I will press the amendment on that basis.

Senator Alice-Mary Higgins: I wish to express my support for the recommendation. It has been a time when we have heard of the importance of solidarity, and thinking how we rebuild our economy. The workers within companies are also part of the economy and part of society. It is a very fundamental thing. Building back better has been a message being put out but a simple and key part of that is that the voices of workers are heard. The principles of collective bargaining are fundamental to healthy sectors, to healthy and sustainable business, they are in tune with our commitments under the sustainable development goals, under the International Labour Organization and other instruments and all the discussions that Ireland tends to have internationally. It is good practice and this is an opportunity to make good practice a condition. Given the very worrying things we have seen in sectoral employment orders, at a very minimum ensuring that workers have a collective voice in terms of advocating on their rights and conditions, is fundamental. All of us are willing to be on the side of businesses that are seeking to get going at this time but we also need them to be on the side of society as well. That means giving workers a voice and a collective voice, therefore I support the amendment strongly.

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Senator Michael D’Arcy: We have the highest minimum wage and one third of all workers in the State pay zero income tax. One would imagine that there was nothing in respect of that. It is appropriate that one third of workers do not pay income tax and it is because we have the most progressive income tax system in the OECD.

Senator Paul Gavan: That is because they are so poorly paid.

Senator Michael D’Arcy: That is what the OECD says. I will not take the lectures and condescending tone from the Senator from Sinn Féin.

Minister of State at the Department of Finance (Deputy Sean Fleming): We have had a good debate on this. Everyone accepts, and I accept, the position of proprietary directors. They were included in the TWSS and there is a change in this legislation. I am not sure of the rationale as to why they were included previously but are excluded now. However, generally, the Senator has highlighted that a special measure relating to proprietary directors is not unique and has happened before. The Senator raising this will encourage the Minister to look at the issue. It will not happen before the legislation passes but other financial measures will come before the Oireachtas in the period ahead. I am not giving any commitment but there is precedent for looking at the position of proprietary directors in relation to the tax consolidation acts. The issue is being raised here and while I am not saying that the Minister is actively examining it now, and not before the passage of this legislation, but it is something that can be looked at in future.

Senator Ivana Bacik: I thank the Minister of State for taking the time to address that point. I am grateful to him. Clearly, it is a point of widespread concern. Senator Buttimer also raised it on Second Stage after I had done so. I hope that a resolution might be found more swiftly. There was some indication that it might be done through administrative means and not necessarily through legislation. Everyone appreciates that the position of proprietary directors, often small family businesses and so on, is a really pressing concern. I hope that by raising the matter I have placed some focus on it and that it can be addressed.

An Cathaoirleach: On the question of the vote, I remind Members of the guidance on the Chamber and circulation therein were emailed out at the beginning of the week. I know it has been a long week and year and we are only halfway through it yet but do remember that social distancing rules apply to Members and while they are quite free to talk while waiting for the vote to start, please keep a social distance because cameras are in operation and I do not want this Chamber to get into disrepute. We are asking people to follow our guidance here please. Bear in mind that the US House of Representatives has brought in a mask policy and it is becoming standard practice across the world.

Recommendation put:

The Committee divided: Tá, 11; Níl, 31.	
Tá	Níl
Bacik, Ivana.	Ahearn, Garret.
Boylan, Lynn.	Blaney, Niall.
Gavan, Paul.	Burke, Paddy.
Higgins, Alice-Mary.	Buttimer, Jerry.
Hoey, Annie.	Byrne, Malcolm.
McCallion, Elisha.	Carrigy, Micheál.

Seanad Éireann

Moynihan, Rebecca.	Casey, Pat.
Ó Donnghaile, Niall.	Cassells, Shane.
Sherlock, Marie.	Conway, Martin.
Wall, Mark.	Crowe, Ollie.
Warfield, Fintan.	Currie, Emer.
	D'Arcy, Michael.
	Daly, Paul.
	Davitt, Aidan.
	Dooley, Timmy.
	Fitzpatrick, Mary.
	Gallagher, Robbie.
	Garvey, Róisín.
	Kyne, Seán.
	Lombard, Tim.
	Martin, Vincent P.
	McGahon, John.
	McGreehan, Erin.
	Murphy, Eugene.
	O'Loughlin, Fiona.
	O'Reilly, Joe.
	O'Reilly, Pauline.
	O'Sullivan, Ned.
	Seery Kearney, Mary.
	Ward, Barry.
	Wilson, Diarmuid.

Tellers: Tá, Senators Ivana Bacik and Paul Gavan; Níl, Senators Paul Daly and Seán Kyne.

Recommendation declared lost.

Senator Ivana Bacik: I move recommendation No. 6:

In page 32, between lines 21 and 22, to insert the following:

“Layoffs and short-time

7. If and for so long as—

(a) an employer is the beneficiary of the wage subsidy scheme or of special warehousing and interest provisions under the Act of 2020 as amended by this Act, and

(b) one or more employees of the employer have been laid off or placed on shorttime due to the effects of measures required to be taken by his or her employer ino

order to comply with, or as a consequence of, Government policy to prevent, limit, minimise or slow the spread of infection of Covid-19,

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then new employees may be hired by the employer only—

(i) to positions in the workforce where such layoffs or short-time have not occurred,

and

(ii) where the vacancy cannot be filled by one of the employer's employees on shorttime work.”.

We have already discussed this amendment and I acknowledge and appreciate that this issue has been addressed already in the Bill.

Recommendation, by leave, withdrawn.

SECTION 7

An Cathaoirleach: Recommendations Nos. 7 and 8 in the name of Senator Paul Gavan have been ruled out of order as a potential charge on the Revenue.

Recommendations Nos. 7 and 8 not moved.

Section 7 agreed to.

SECTION 8

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

Senator Paul Gavan: I oppose section 8. I will be brief because we have discussed this at length on Second Stage. This section is bad politics. The policies here are going to drive up the price of housing. We have seen a previous Parliamentary Budget Office report on the help-to-buy scheme. It is a poor scheme and disproportionately benefits higher income earners and is not what we need. The last thing we need is to drive house prices up even further. The Minister has even conceded the weakness in no impact assessment having taken place. The intention of our party is to oppose this entire section.

Senator Ivana Bacik: I support and speak now in support of Senator Gavan's point. As my colleague, Deputy Nash, said in the Dáil we see this as a deadweight to the help-to-buy policies described in section 8 which will simply push up profits and is what concerns us as it will be effectively be subsidising home purchase. I have also received an email concerned about what happens if someone has already signed a contract prior to 23 July in which case he or she will not be covered by it. We are also opposed to the section.

Senator Alice-Mary Higgins: I am also opposed to the section. Very pertinent photographs were put up by Senator Moynihan showing the price of houses having gone up overnight by €10,000. We know that sometimes happens when there is something that is simply driving cost upwards. An impact assessment was needed as to market distortion. One of the best ways to help people is by ensuring that there is more building and more social housing so that everybody is not competing for the same space. We should also examine certain incentives that may still be in the system and that make it much easier for commercial investors. Those incentives were called out when they appeared. We have started to wind them down, but they still exist. Commercial investors still have a real advantage over those actually seeking to purchase homes. One of the most rigorous and useful things we could do would be to stop giving

advantages to commercial purchasers, real estate investment trusts and others that are driving up prices. That would do more for first-time buyers.

Deputy Sean Fleming: I note what the Senators have said. This is a particularly excellent section of the legislation that encourages first-time buyers to save and accumulate a deposit, difficult as that is. The State is standing by them by helping them to buy their first home. What could be wrong with that? It is a good scheme from beginning to end. It helps first-time buyers and it helps to increase the supply of houses. They must be new builds. Some of the earlier criticism asked why the scheme does not cover second-hand houses. This is about providing jobs. How does one get a new house built? By getting brick-layers, plumbers, carpenters and other workers to slate roofs, install central heating, fit kitchens and connect water. This is an incentive to increase employment in those trades. A new house cannot be built without employing people.

I cannot understand how people come here to vote against first-time buyers who meet the requirement limiting borrowing to three times annual household salary. This is not for wealthy people. There are restrictions on how much people can borrow based on their incomes. Irish people like to own their own house. Maybe some people have a philosophical objection to that, but I do not. Most people I know would like to own their own houses. This helps them. It does not help everybody, but it helps first-time buyers to get a house. It can be self-built or they can buy it. There is no proof that the price of houses jumped by €10,000 overnight when this was announced last week. I know that Members of the Oireachtas posted that claim on social media, but they took it down very promptly. It is an easy thing to say but far more difficult to prove. Prices will not escalate because more new houses being built means more supply on the market. The debate we have had about housing of all categories, including social and affordable housing, approved housing body housing and private houses, returns to the problem of not building enough houses in the last decade. There is a shortage. This is a mechanism to assist first-time buyers and to encourage the building of new houses. That has to be a good thing. I cannot understand how people can take issue with the principle behind this.

This particular measure is not about social housing. It is a finance measure. The remarks Members have made about social housing are totally valid. Those issues should be discussed when social housing legislation comes before the House. This is a measure to help buyers, largely young people, to own their own houses by increasing the tax incentive from €20,000 to €30,000. That came into effect on 23 July, the date the announcement was made. That is extraordinary. We are not waiting for the legislation to pass or anything like that, though the President will hopefully sign the Bill soon. The effective date is the date of the first announcement. Of course, people who entered into contracts to purchase houses before that are not included because they entered into them under the old regime. I see nothing wrong with people who were in the process of making applications to Revenue but had not finalised their contracts starting afresh. They can be included in the new regime as well. I understand that there is opposition to this. I am of the view that it is a good measure to increase the housing supply, assist first-time buyers and boost employment in the construction industry. I could not commend it to the House more.

Question put:

The Committee divided: Tá, 29; Níl, 11.	
Tá	Níl

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Ahearn, Garret.	Bacik, Ivana.
Blaney, Niall.	Boylan, Lynn.
Burke, Paddy.	Flynn, Eileen.
Buttimer, Jerry.	Gavan, Paul.
Byrne, Malcolm.	Higgins, Alice-Mary.
Carrigy, Micheál.	Hoey, Annie.
Casey, Pat.	McCallion, Elisha.
Cassells, Shane.	Ó Donnghaile, Niall.
Conway, Martin.	Sherlock, Marie.
Crowe, Ollie.	Wall, Mark.
Currie, Emer.	Warfield, Fintan.
D’Arcy, Michael.	
Daly, Paul.	
Dooley, Timmy.	
Fitzpatrick, Mary.	
Gallagher, Robbie.	
Garvey, Róisín.	
Kyne, Seán.	
Lombard, Tim.	
Martin, Vincent P.	
McGahon, John.	
Murphy, Eugene.	
O’Loughlin, Fiona.	
O’Reilly, Joe.	
O’Reilly, Pauline.	
O’Sullivan, Ned.	
Seery Kearney, Mary.	
Ward, Barry.	
Wilson, Diarmuid.	

Tellers: Tá, Senators Paul Daly and Seán Kyne; Níl, Senators Ivana Bacik and Paul Gavan.

Question declared carried.

Sections 9 to 11, inclusive, agreed to.

SECTION 12

Senator Paul Gavan: I move recommendation No. 9:

In page 48, between lines 8 and 9, to insert the following:

“(b) In section 46(1)(ca) by substituting “paragraphs 3(1) to (3), 7, 8, 11, 12, 13(3) and 13B(1) to (3)” for “paragraphs 7(a), 7A and 12”, and”.

This topic has had a good airing. We welcome the reduction in VAT but we are pointing to the fact there has not been a corresponding decrease in VAT at the 13.5% level. This has been

raised by others in the Chamber. It is a simple amendment.

Deputy Sean Fleming: We discussed this earlier. The VAT changes in the Bill are economy wide. We did not pick a particular sector to reinstate the 9% rate. There are a number of other elements in the stimulus package that can help businesses in the hospitality sector. This is just one aspect of the overall July stimulus package we are dealing with. The approach was to give this VAT reduction across the board in the entire economy rather than doing it sector by sector. If we were to start identifying sector by sector to try to gauge the impact we would not have the legislation here today. We took the broad view to give the reduction on an entire economy basis on this occasion and not go down the road of just the hospitality sector or a reduction to 9%.

Recommendation put and declared lost.

Section 12 agreed to.

NEW SECTIONS

Senator Alice-Mary Higgins: I move recommendation No. 10:

In page 48, between lines 12 and 13, to insert the following:

“Report on Deferred Tax Assets and Bank Losses

13. The Minister shall, within 8 weeks of the passing of this Act, produce a report on the use by banks and other companies in Ireland of the Deferred Tax Asset schemes in respect of past losses, to include—

(a) consideration of the relevance of principles in *section 11* of this Act in respect of the use by banks and other companies in Ireland of Deferred Tax Assets, and

(b) options for the banks in Ireland of the limitation of use by certain companies or banks of the Deferred Tax Asset Scheme or the limitation of the applicability of Deferred Tax Assets to a maximum of 50 per cent of profits in any year.”.

These are issues we discussed very recently. While I am delighted to discuss them with the Minister of State, I would just note a small but important point, which is the Minister, Deputy Donohoe, was not always wonderful at coming to the Seanad in the previous Oireachtas and I hope, even though I am very happy to be speaking to the Minister of State, that the Minister, Deputy Donohoe, will perhaps come more often to the Seanad and debate with us in person.

This issue is very much within the remit of the Minister of State because it relates to banking and the finance sector, which I know is his focus, but it has a wider concern because according to the estimates of the Comptroller and Auditor General, deferred tax assets cost €29 billion overall to the State with €12 billion of loss of finances to the State from the financial and insurance sector. This is a very large amount. It is the future estimates from the Comptroller and Auditor General.

I was looking at the calculations in the section on relevant and non-relevant trading losses and the provisions whereby persons are compensated in respect of losses they make in the course of their business. It is another element to think about. In this section we have an attempt to strike a balance between 50% relevant and 50% non-relevant. There is a request that companies maintain records to determine whether such losses are computed in a reasonable manner.

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The section deals with the question of what is an appropriate level of loss to be compensated by the State through the write-off of tax liability. I suggest that in the case of the banks, where there has been a massive State injection of funding and support in terms of the bank guarantee and underwriting, it is certainly not appropriate that they use the deferred tax asset scheme to avoid paying taxes for, we are told, at least another decade if it is proceeded with. The figures were that Permanent TSB would not pay any tax until 2038 and AIB might not pay any tax until 2037. I do not think as we face into another crisis that we can afford to have these banks not pay tax for more than a decade.

The calculations in the section use a figure of 50%. A very useful compromise between what I would prefer, which is a complete end to the use of the deferred tax asset scheme by banks, and the current situation, whereby 100% of profits can be written off by banks using the deferred tax asset scheme, is the compromise the then Minister, Brian Lenihan, had between 2009 and 2014. He made the quite reasonable provision that only 50% of profits could be written off using the scheme. It was a very reasonable provision whereby if the bank had losses it did not apply but if a bank made a profit it could afford to have at least 50% of it available to the State for taxation in a normal fashion and contribute to the functioning of the State, which so kindly bailed it out in its time of need.

I will not rehash this. I know the Minister of State is aware of these issues and will bring them into the discussion on the budget. I will simply say it again that money not collected in taxation is money lost to the Exchequer. It is money that is not available for public expenditure. It is not simply an absence of revenue, it is money forgone and expenditure. This is a big decision. Even if we love the deferred tax asset scheme we need to ask whether it is the best use of money that gives the best return. Much as with the decisions we heard about VAT, we are making a decision to reduce VAT because we anticipate it will make a real difference in terms of stimulus of the economy. What is the benefit we will have from giving a massive tax relief of 100% of past losses to banks? This is quite a new and unusual measure. It was introduced in 2014. Ideally, we should end the scheme or revert to the position from 2009 to 2014, which placed a 50% limitation. I hope the Minister of State will consider a report on this. I will keep suggesting reports. Perhaps the Minister of State will come up with a report himself. It is an issue we really need to think about before the budget.

Deputy Sean Fleming: I thank the Senator for bringing up this matter. We have had a discussion on it. I want to clarify one or two issues and respond to the general point made by the Senator. I assume the intention of the Senator's recommendation is to propose consideration of restricting corporation tax loss reliefs for banks to a maximum of 50% of their profits each year. That was the position at the time of the bank crisis but it was amended subsequently - I forget the particular year - to allow them bring 50% of their losses forward-----

Senator Alice-Mary Higgins: I am sorry; it was 100%.

Deputy Sean Fleming: It was 100% but it was amended subsequently to allow them bring 50% of their losses forward. I want to explain this section, which is something that is connected but quite different. For the purposes of clarity, I want to note that section 11 does not restrict loss of relief. Rather, it introduces a temporary acceleration of losses relief in respect of 50% of the losses expected to be incurred by companies in accounting periods affected by Covid-19. The balance of the loss will be relieved in due course under the normal rules. I want to explain that in simple English.

An Cathaoirleach: I thank the Minister of State. It would be very helpful if he could translate that into layman's language.

Deputy Sean Fleming: In simple English, it means that in respect of a company that was in profit last year, paid corporation tax on it and is now expecting to have a loss this year, there is provision that it can carry losses forward from one year against its profit next year because business does not operate on a 12-monthly cycle. The business cycle can run for a period of years. In some years businesses can have losses; in others they can have a profit. The taxation system in every country allows a business, not individuals, to do that. If a business through corporation tax has a loss this year it can carry that loss forward against its profit next year to reduce next year's tax bill. This measure is proposing the opposite and I believe it is quite novel. We are now saying that if a business had profits last year on which it paid corporation tax but now, as a result of Covid-19, it expects to have a loss this year, which will be the case, it can offset the losses it expects to have this year against the corporation tax it paid on last year's profit and get a benefit of cashflow by getting a refund from the Revenue in respect of the tax it paid last year. It is absolutely novel and a clever piece of work.

It is another mechanism for the Revenue Commissioners to give money to companies that expect to make a loss this year, notwithstanding that they were previously profitable. It is a great way of getting the system in, so to speak. We are restricting it to 50% because at this stage companies would not be able to accurately predict what their profits will be at the end of the year. If they have a loss when they come to do their returns next year for the end of this year, they can balance it up. They might have had a bigger loss and they will get the benefit but we are saying that, as an interim measure, if they expect to have losses they will be able to recoup some of the taxes they paid last year. It is a novel way to get the benefit of previously-paid tax against an expected loss, and that is the reason it is restricted to 50%.

On the issue of losses forward in the economy in general, we are into billions of euro. I might have said the previous day that if the Senator wants a report on this topic I direct her to the Committee of Public Accounts in the previous Dáil, which I chaired. I wrote a specific chapter on this and I was totally sympathetic to this issue. I am speaking personally and not as Minister of State in the Department. I am referring to what I said in the previous Oireachtas committee. We believed that sometimes there should be a sunset clause. Losses cannot continue to be brought forward from ten or 15 years ago against future profit. Those restrictions have been introduced in other EU countries, including our nearest neighbour, which has a sunset clause in respect of the number of previous years' losses companies can bring forward against future profits. In having this measure we are not in strange territory.

We have never gone down that road in Ireland and wearing my hat as Minister of State in the Department of Finance I am not suggesting we go down that road. The Department did a report on that issue some time ago. It would take quite a bit of work because, to get technical for a moment, companies can write off the cost of assets or capital expenditure against their profits and that can lead to a loss forward for tax purposes. Some companies have a genuine trading loss, which can lead to losses forward against future profits, but the Revenue system does not distinguish between the two because it has not been asked to do so previously. It would probably take legislation to require the Revenue to do that. The Revenue cannot do it of its own volition because there would not be a statutory basis on which it could seek that information from taxpayers. It would require a change to legislation and for the Revenue to then seek that information from taxpayers from the next year on. We would then have a more detailed and accurate assessment of what is out there than we have currently but I am holding the fort on this

one, as Minister of State in the Department of Finance.

I understand the point the Senator makes. The chapter on that particular issue was signed up to by all members of the previous Committee of Public Accounts but for the purpose of this legislation this is a reversal of what we normally look for in that we are actually giving people back money against the tax they paid last year to be brought forward. It is a refund in respect of expected losses this year. It is ingenious. It is a way of getting cash from the Revenue Commissioners into businesses that expect to lose money this year. I could not commend that aspect of this legislation highly enough. I understand what the Senator is saying. I cannot give a commitment on behalf of the Department or the Minister but I suggest she keep at it because as time goes by other people might take up the point. It is a valid point but it is not part of this legislation.

Senator Alice-Mary Higgins: I thank the Minister of State. I hope that he will work to find a solution to this issue, be it through the sunset clause, a limitation or a differentiation between the kinds of loss that can be used.

To be even simpler in terms of the description of what was happening here, as the Minister of State said, this is another measure that will give companies a chance to use tax previously paid except that they are using it in terms of past profits rather than future profits. The State is actually giving support to companies in a crisis. That is the reason it is very relevant in terms of what happened in the past because we have rolling sets of crises. We had the crisis in 2008. The State supported the banks at that time. We have a new crisis now. The State is finding other ways to help. This is money we are spending. I believe it may be money well spent in most cases. If it is allowing a small company or business to keep going, that is fine but this is money for measures that will keep open companies employing people and we need to make sure we do not have very large legacy measures that will be exploited for many years to come.

I can guarantee, unfortunately, that we will face another crisis of some kind between now and 2037 or 2038. The idea that through this crisis banks do not pay their share when we helped them the last time and that they will not be paying in to help all those small companies that need support is a concern. I accept the Minister's bona fides. I know he is hearing me on this issue. I hope that he will work with all of us across the Houses to find a way to deal with this issue, even if it requires legislation, and I hope that we can move forward on it. There are many individuals across Ireland who would love to be able to write off this year's losses against future or past taxation. It is a measure that we are giving to companies and we need to be very vigilant that the companies that most need it get it and that it will not go to companies which have long periods of good times at our expense.

An Cathaoirleach: Is the recommendation being pressed?

Senator Alice-Mary Higgins: I will not press the recommendation at this time.

Recommendation, by leave, withdrawn.

Senator Paul Gavan: I move recommendation No. 11:

11. In page 48, between lines 12 and 13, to insert the following:

“Report on impact of reduction of VAT on motor vehicles and certain fuels

13. The Minister shall, within 5 months of the passing of this Act, prepare and lay before

Dáil Éireann a report on the impact of the reduction of VAT from 23 to 21 per cent, provided for under *paragraphs (a) and (b) of section 12*, on the sale and consumption of motor vehicles, petrol, unmarked diesel, heavy fuel oil and motor fuel.”.

This is a simple amendment that is worth reading into the record. It states: “The Minister shall, within 5 months of the passing of this Act, prepare and lay before Dáil Éireann a report on the impact of the reduction of VAT from 23 to 21 per cent, provided for under *paragraphs (a) and (b) of section 12*, on the sale and consumption of motor vehicles, petrol, unmarked diesel, heavy fuel oil and motor fuel.” To be honest, I am surprised that the Minister of State’s partners in government have not already asked for that. It is surprising how quickly the Green Party can apparently drop its environmental concerns in respect of cutting taxes on motor vehicles, petrol, unmarked diesel, heavy fuel oil and motor fuel.

To be clear, we are supporting the cut in VAT but think it would be prudent to have a report on its impact on these items. It is a simple request and hopefully one on which we can all agree.

Deputy Sean Fleming: Section 12 sets out to reduce the standard rate of VAT from 23% to 21% on a temporary basis from 1 September. The recommendation seeks a report from the Department within five months after the enactment of the Bill. This effectively means a report will be required by the end of the year.

The reduction comes in on 1 September but VAT is mostly paid in a two-monthly cycle in arrears, so the September-October returns would be available only in mid-November 2020, and returns for November and December would not be available until early in the new year. To produce a report by the end of the year would cover only one two-month set of VAT returns which is not a sufficiently long period to get a proper read of the situation. Given that we may be still operating at less than full capacity, it is not clear any report based on such a short period would be of any real value because it would not give a representative view on which to base any future decisions.

Furthermore, as traders are not required to separately identify the VAT yield generated from particular activities or product types in their VAT returns, it is not possible to separately identify the VAT receipts from specific items. Accordingly, producing such a report would demand the use of scarce resources at a time in coming weeks when we are getting engaged for the budget and Finance Bill.

Essentially, we would not have the information before the budget one way or another. Were we to try to have it for the Finance Bill, we would have only one set of VAT returns which would not cover a representative period. It would not be prudent to pass or change legislation on a single cycle of VAT returns which are not a fair representation. In the normal course of events, the papers submitted by my officials to the tax strategy group may be a vehicle to examine and review policy decisions. If the Senator wishes to withdraw the recommendation I will ask the officials to include such an analysis in the VAT tax strategy paper in advance of budget 2022. We will not get it done in advance of the budget this autumn for 2021 but if the Senator withdraws the recommendation we will ask the officials to include it and work on it next year for the subsequent budget.

Senator Paul Gavan: That is a reasonable suggestion. I accept that.

Recommendation, by leave, withdrawn.

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An Cathaoirleach: Recommendation No. 12 is out of order.

Recommendation No. 12 not moved.

Section 13 agreed to.

Title agreed to.

Bill reported without recommendation.

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

Senator Michael D’Arcy: Now.

An Cathaoirleach: Is that agreed? Agreed.

Bill received for final consideration.

Question, “That the Bill be returned to the Dáil”, put and agreed to.

Financial Provisions (Covid-19) (No. 2) Bill 2020: Motion for Earlier Signature

Senator Michael D’Arcy: I move:

That pursuant to subsection 2° of section 2 of Article 25 of the Constitution, Seanad Éireann concurs with the Government in a request to the President to sign the Financial Provisions (Covid-19) (No. 2) Bill 2020 on a date which is earlier than the fifth day after the date on which the Bill has been presented to him.

Question put and agreed to.

An Cathaoirleach: When is it proposed to sit again?

Senator Michael D’Arcy: At 10.30 a.m. tomorrow.

Seanad adjourned at 6.35 p.m. until 10.30 a.m. on Friday, 31 July 2020.

